

THE TIMES
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WEEKEND
MONEY
Pages 21-28

SATURDAY JANUARY 18 1992

45p

Seven die in Ulster road bomb

BY EDWARD GORMAN
AND RICHARD DUCE

SEVEN building workers were killed and seven others injured last night when a huge roadside bomb devastated their van in Northern Ireland.

The bomb had been planted in a culvert under the main Omagh to Cookstown road in Co Tyrone and the explosion could be heard ten miles away. The men who died had been working at Lisnally barracks in Omagh and are thought to have been victims of the IRA's campaign against contractors working for the security forces.

A 100-yard command line was found leading from the road to a point overlooking the scene of the blast, suggesting that the victims had been deliberately targeted. The attack appears to bear similarities to one on a military bus in August 1988 when the IRA triggered a bomb by remote control from high ground, killing eight young Light Infantry soldiers returning to their barracks.

Last night's bombing took place on a lonely stretch of road at a



crossroads called Teebane Cross near the staunchly republican village of Carrickmore. The injured were taken to the Mid-Ulster, Tyrone County and South Tyrone hospitals. Two were seriously ill at the Mid-Ulster hospital and another underwent emergency surgery. At the scene, police asked for floodlights to be brought in to help search for those unaccounted for.

The bombing came as the latest efforts to revive talks between nationalist and unionist on the future of the province all but collapsed. Peter Brooke, the Northern Ireland secretary, had earlier held

Building workers blown up in terrorist attack

talks in Dublin with Gerard Collins, the Irish foreign affairs minister, and later admitted that the prospect of renewed talks had receded.

Mr Brooke will now be pressed to take tougher security measures to deal with the IRA and some Unionist MPs believe the government should introduce selective internment to remove the senior commanders from both sides of the sectarian divide.

The prime minister last night spoke of his horror at the outrage, and declared: "A policy of bombing is odious, contemptible and cowardly and will never change the Government's policy in Northern Ireland."

William McCrea, the Democratic Unionist party MP for Mid-Ulster said: "I wish to condemn the

cruel and brutal murder of workers tonight in my constituency." Several innocent members of the community had been slaughtered by "murdering IRA scum" in a "deliberately targeted operation".

Ken Maginnis, security spokesman for the Ulster Unionist party, said: "There are two governments, one with responsibility for, and the other with an interest in, the welfare of people in Northern Ireland. What do they intend to do about these people in the higher echelons, the top of the first division of terrorism, who organise with impunity such as we saw today?"

Kevin McNamara, shadow Northern Ireland secretary, said the bombing was "another crime that can have no justification, whatever the political motives of those involved". The incident made it all

the more necessary that politicians should continue their talks on the future of Northern Ireland. "I hope we are not going to mourn the passing of another lost opportunity for talks," he said.

The latest murders bring the death toll from sectarian violence in the province to 11 this year. Last year, 75 civilians were killed, the highest toll in 15 years. Six big bombs have been detonated in Belfast in the past nine weeks, and a week ago, the government put extra troops on the streets to counter the IRA campaign there.

Last night's attack appears to have been the latest in a vicious campaign against individuals denounced by the IRA as "collaborators". The campaign has claimed the lives of people working for fruit merchants, building contractors, and catering firms. It has also resulted in companies quietly leaving security bases where they were doing construction work and to shops declining to serve members of the security forces.

The campaign is based on a strategy carried out with success during the Irish War of Independence in the early part of this century when the Royal Irish Constabulary was isolated from the community and driven from its barracks.

The IRA made its first public threat against those working for the security forces in June 1985 when it warned people working on a new RUC base at Lisnagelvin in Londonderry. In August that year, Seamus McEvoy, a Catholic, was shot dead in a Dublin bar because, the IRA alleged, he had been supplying materials to security bases.

Three days later, the IRA apologised to the family of Daniel Mullen, who had also been shot dead in a bar at Strabane, Co Tyrone. They said he had been killed in mistake for a prominent Protestant building contractor. The Provisionals' campaign has forced the Royal Engineers to carry out urgent repairs to bombed bases, and a £200 million programme to build safe housing for the security forces had to be undertaken secretly to protect workers.

Stalled initiative, page 4
Letters, page 11

Yeltsin tries to defuse army anger

FROM MARY DEJEVSKY IN MOSCOW

MORE than 6,000 disgruntled officer-delegates of the former Soviet army, meeting in the Kremlin yesterday, gave their political leaders such a stormy reception that their commander-in-chief, Marshal Yevgeni Shaposhnikov, had to deny a military coup was imminent.

Despite valiant attempts by President Yeltsin of Russia, Marshal Shaposhnikov, and the Kazakhstan president, Nursultan Nazarbayev, to keep the meeting under control, the mood was ugly, reflecting deep unhappiness in the armed forces after the decline and dissolution of the Soviet Union. The officers heard Mr Yeltsin appeal to them to keep the peace across the country and Marshal Shaposhnikov pledged that the army would not allow itself to be used for political ends.

In his opening address, the marshal felt the need to deny that the outcome would be a military coup. "Claims that the all-army meeting may result in a military coup are

groundless and socially dangerous. I will never allow the armed forces to be used against the people."

When the conference opened, there was consternation that Mr Yeltsin and Mr Nazarbayev were the only two presidents of the Commonwealth of Independent States who had bothered to turn up. The lack of consensus was such that the conference proceeded with no agenda, standing orders or time limit.

At one point, Marshal Shaposhnikov strode off the platform, announcing his resignation, after calls from the floor for his removal. He was called back by Mr Yeltsin and explained that he would remain only if the officers felt he could do something to help.

In his earlier speech, Marshal Shaposhnikov had given a warning that "global tragedy" threatened if the future of the former Soviet armed forces was not settled quickly. "Events have reached the boundary beyond which lie feeding, chaos and national, if not global, tragedy." But Marshal Shaposhnikov, who called for retention of a single armed force with a transitional period of "two, three or four years", was heard with cool hostility. Even the populist Mr Yeltsin attracted lukewarm applause. His only



Under fire: President Yeltsin and Marshal Shaposhnikov consult during their Kremlin brush with the officer corps

spontaneous ovation came when he promised land and dollars to officers who wanted to build their own houses.

The two most popular speakers were Metropolitan Kirill of Smolensk, who cited the glorious tradition of St George the warrior and Alek-

sandr Nevsky, and Colonel Viktor Alksnis, one of the conservative firebrands of the dissolved Soviet parliament. Colonel Alksnis said: "Our homeland no longer exists — our homeland was the USSR." The commonwealth was "a fiction".

While the platform was calling for calm, the mass of officers in the hall were calling for retention of a single high command, a single armed force, and even restoration of the Soviet Union.

Mr Yeltsin's announcement that the commonwealth

would have its own navy did little to pacify officers in revolt against the probability that part of the Black Sea and Caspian fleets would be transferred to Ukraine and to Azerbaijan.

Fighters rally, page 8

Shorter wait for surgery

The maximum waiting time for a hospital operation is to be cut from two years to 18 months under proposals being drawn up by the Conservatives.

The new target is understood to have been provisionally agreed between William Waldegrave, the health secretary, and John Major at last week's Downing Street meeting on the Tory programme for a fourth term. Page 16

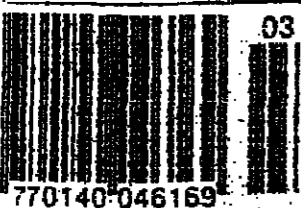
£2.5m award

A brain-damaged girl whose only real joy in life is opera stands to receive £2.5 million in damages over 25 years. Page 3

Top draw

In the draw for the European football championships England will meet Sweden, France and Yugoslavia in group one, while Scotland will face Holland and Germany. Page 38

INDEX	
Accountancy results	31-33
Births, marriages, deaths	12-13
Crosswords	13-16
Letters	11-18
Obituaries	12
Sport	33-38
TV & radio	14-15
Weather	16



City dismisses 'blip in the dip' inflation rise

BY COLIN NARBROUGH, ECONOMICS CORRESPONDENT

INFLATION picked up for the second consecutive month in December. Retail prices rose by an annual 4.5 per cent, up from 4.3 per cent in the previous month, according to government figures.

John Major, who set the fight against inflation as his main objective, said last month that inflation had been "licked" and City economists remain convinced that "headline" inflation is still falling in the long term.

Simon Briscoe, economist at Midland Montagu, the investment bank, dismissed the pickup in retail prices as "the

blip in the [inflationary] dip". Forecasters expect the annual rate to be unchanged this month, before starting to fall again. The government is looking forward to British inflation falling below the German level next month or in March.

There was also an unexpected deterioration in government finances last month, with a PSBR of £1.2 billion, instead of a forecast repayment of £800 million.

Leading article, page 11
Labour's back, page 16
Borrowing rises, page 17

Lottery bill fails but fight goes on

BY COLIN NARBROUGH, ECONOMICS CORRESPONDENT

A NATIONAL Lottery remained last night an option for the Conservative election manifesto despite the failure of a backbench Commons attempt to introduce one (Philip Webster writes).

Ivan Lawrence, Conservative MP for Burton, failed to muster 100 votes to enable his national lottery bill to make progress. The government declined to back him in the vote, preferring to wait before deciding whether to make the lottery a manifesto commitment.

Votes held back, page 4

Unrepentant Saddam admits he lost war

FROM CHRISTOPHER WALKER IN AMMAN

PRESIDENT Saddam Hussein yesterday for the first time acknowledged Iraq's material defeat in the Gulf war, but promised to rebuild his vast military machine.

In a television address on the anniversary of the allied attack on Baghdad, he gave the clearest signal yet that, despite crushing defeat and continuing United Nations sanctions, he has no intention of abandoning his ambition of making Iraq a heavily armed regional superpower.

Relaxed and confident in field marshal's uniform, Saddam acknowledged physical

defeat in the war. But, he insisted, Iraq had won a moral victory over the forces of "Satan and treachery".

His address came after an Iraqi government claim that 187 "military industry buildings" damaged in the war had already been repaired and another 260 unspecified military facilities were now under reconstruction. Western intelligence officials believe Saddam may still have as many as 200 concealed Scud missiles.

Waterloo?, page 10
Leading article, page 11

Eavesdropper tunes into galactic 'gossip'

BY NIGEL HAWKES
SCIENCE EDITOR

THE American space agency NASA is about to begin a \$100 million (£58.3 million) search for intelligent life elsewhere in the universe.

The project is the biggest and most intensive effort yet to determine whether we are alone. Since 1960 at least 50 investigations have been carried out, mostly small-scale and all unsuccessful. Steven Spielberg, director of *ET, the Extra-Terrestrial*, gave \$100,000 to finance one project, but it found nothing. Now the big battalions are moving in.

Next week radio and computer equipment will be moved to the Mojave Desert to begin eavesdropping on the galactic airwaves in the hope of picking

up some extraterrestrial tidbits. The equipment will be set up at NASA's Deep Space Network tracking station at Goldstone, 85 miles northeast of Los Angeles. Later the search will be joined by radio telescopes at the Arecibo Observatory in Puerto Rico, in Canberra, Australia, and in Greenbank, West Virginia. The search will last ten years.

The searchers believe that if there are intelligent beings in space, they will be generating radio noise that ought to be detectable. It might be a signal deliberately broadcast into space in the hope of attracting attention, or simply the dying echo of an extraterrestrial television or radio channel. NASA's new equipment promises to be 10 million times more effective than anything tried before. Michael Klein, of NASA's Jet Propulsion

Laboratory, announcing the start of the programme, said that the evidence was that countless Earth-like planets exist in our galaxy. "I strongly believe that some day we will make contact with other civilisations," he said. The new equipment would be able within a few minutes to match all of the searches that had gone before.

NASA's search for extraterrestrial intelligence (SETI) will systematically search the sky for transmissions in the 1 to 10 gigahertz range, where natural sources are quietest. The targeted search will look at roughly 1,000 sun-like stars that lie within 100 light years of us, while the sky survey will look at the entire sky but with lower sensitivity. The survey will be formally launched on

Continued on page 16, col 8



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مكتبة في لندن

Loophole on poll tax worries power chiefs

By DOUGLAS BROOM
LOCAL GOVERNMENT CORRESPONDENT

GAS and electricity companies may be prevented from cutting off supplies to debtors if anti-poll tax campaigners succeed in their legal challenge to the use of computer records in court.

The Home Office is looking into the threat to the public utilities posed by a series of test cases brought by anti-poll tax groups over the admissibility of computerised records in civil proceedings before magistrates. The utilities use computerised payment records as evidence that customers have not paid their bills when seeking court orders allowing them to enter homes and turn off supplies.

Jesuits condemn council tax

By RUTH GLEDHILL
RELIGION CORRESPONDENT

THE council tax, the government's replacement for the community charge, will still place an unfair burden on the poor, according to a report by a Jesuit scholar.

Father Chris Moss, Dean of St Edmund's Roman Catholic College, Cambridge, will publish a study on Wednesday arguing that while the new tax is a significant improvement, what is needed is a "truly progressive tax" for local government.

He writes of concern that the ratios between property values are greater than the planned ratios of tax liability in the new tax, to be implemented in April next year. He proposes a supplementary local income tax and an increase in benefits for the poor.

"What is needed is an immediate substantial increase in income support-related benefits if the government is not to fail in its grave obligation to protect the most vulnerable in society."

The report, by the Von Hugel Institute, a research body based at St Edmund's, has been sent to Michael Heseltine, the environment secretary. MPs and bishops in advance of a parliamentary debate. The Council Tax, the most comprehensive Christian critique of the new tax to date, cites the biblical mandate to care for the weakest in society. "The Old Testament prophets forcefully condemned the selfish accumulation of wealth at the expense of others."

Father Moss says: "The incidents in the Gospels which refer directly to taxation also highlight the concern of Jesus for the poor and for justice."

He adds: "The combination of inadequate benefit and regressive taxation has brought many low income families into court for the first time. With few exceptions, the people being imprisoned are poor."

"It is not good enough to argue that there will be winners and losers," he says.

Labour's plan will hit 8.7% of families

By JILL SHERMAN
POLITICAL CORRESPONDENT

ONLY 8.7 per cent of families in the United Kingdom will lose under Labour's proposals to remove the National Insurance Contribution ceilings and introduce its spending pledges, according to an independent study published yesterday.

Forty-six per cent of families will gain from the proposals and 44 per cent will be unaffected, while in the southeast 45 per cent gain, 13 per cent lose and 42 per cent are unaffected.

Roy Hattersley, deputy leader of the Labour party said yesterday that almost 90 per cent of the population would be wholly unaffected by the taxes.

However, the report confirms that families will be hit most in London and the South-East. In Greater London 38 per cent of families will gain, 15 per cent will lose and 47 per cent will be unaffected, while in the southeast 45 per cent gain, 13 per cent lose and 42 per cent are unaffected.

The biggest gainers are in Wales, Scotland, Northern Ireland and the Northern regions.

Steve Webb, a researcher at the Institute, said that one of the main effects of the changes would be to redistribute income from the rich to the poor. Further analysis shows that if the population is divided up into tenths by income level (weighted to take into account the extra costs of families with more children) more families gain than lose except for the top 20 per cent.

The Institute has offered two sets of figures, one based on abolition of NICs for all workers, the other excluding self-employed. The figures above exclude self-employed.

The report makes it unclear which policy Labour would adopt, but senior Labour sources insisted last night that their policy had always been to exclude self-employed people from their proposals to abolish NIC ceilings.

Mr Webb said that the exclusion of self-employed workers would cost the party the difference between £3.2 billion and £2.7 billion. However, Labour said they had always used £2.7 billion for costing purposes.

Ministers attacked Labour last night. John MacGregor, the Commons leader, said: "Every taxpayer at every level of earnings would be hit."

Labour challenge, page 16



Stars in transit: Roy of the Rovers, left, and, right, Dan Dare and Judge Dredd, the comic-book characters bought by the Gutenberg Group from the wreckage of the Maxwell empire

Roy of the Rovers goes Danish

By NEIL BENNETT, BANKING CORRESPONDENT

THE footballing world was horrified yesterday when it learned that Roy of the Rovers, Melchester's ever-popular striker, has been transferred to a Danish team for an undisclosed fee.

Roy and a team of other famous cartoon characters including Dan Dare and Judge Dredd, have been bought by Gutenberg Group, a Danish publisher, from the wreckage of the late Robert Maxwell's media empire.

Gutenberg has bought Fleetway Editions, Britain's largest comic book publisher, from Price Waterhouse, the accountancy firm that is handling the administration

of Maxwell Communication Corporation.

The Danish company already owned half of the company which it bought in a joint venture deal with Mr Maxwell last October. His death and the collapse of his companies have allowed Gutenberg to buy the remainder of the shares at a knock-down price, thought to be around £5 million.

Fleetway has annual sales of £15 million and profits of more than £2 million. Among other titles it publishes 2000 AD, one of Britain's most successful comics, with more than a million readers. The company's most valuable asset is Judge Dredd.



Stars in transit: Roy of the Rovers, left, and, right, Dan Dare and Judge Dredd, the comic-book characters bought by the Gutenberg Group from the wreckage of the Maxwell empire

the vicious and cynical policeman of a post-nuclear New York, soon to star in his own film.

The sale is part of the dismemberment of the Maxwell businesses in an effort to repay some of their estimated debts of £3 billion. Accountants throughout the City are holding private auctions of Maxwell businesses.

In a separate move Addison Consultancy has announced that it is buying the British businesses of AGB Research, to form the largest market research group in the country. AGB was owned by the Maxwell family's private companies, now in the hands of Arthur Andersen.

Letters, page 11

Halford case chief appointed

A senior South Wales policeman is to investigate new allegations against Alison Halford, assistant chief constable of Merseyside (Stewart Tindler writes).

Miss Halford has been accused of "discreditable conduct" in making "abusive and personally insulting" late-night telephone calls to the chief constable, an assistant chief constable, and the chairman and deputy chairman of the Merseyside police authority. The allegations will be investigated by David Mellor, deputy chief constable of South Wales.

Last month, a High Court judge ruled that Merseyside unlawfully suspended Miss Halford in 1990 after a report on her conduct by Sussex police. But last week the suspension was renewed and details of the allegations published.

Yesterday Rex Makin, her solicitor, said: "Undoubtedly, people who feel themselves to be persecuted react in a certain way. The whole thing has now become reminiscent of the Derek Hatton days when Liverpool was called 'Roy Town'." He was angry that the confidential discussion of the earlier allegations was leaked to the media.

Fire bombs found in pub

Two fire bombs were found in the Marquis of Granby public house in Shaftesbury Avenue, central London, yesterday. Police said they had ignited some time ago, but fizzled out. They are believed to have been planted at the same time as IRA firebombs that damaged the nearby Cambridge public house last year. Unexploded bombs were also found later in a book shop and a Tube train.

The devices hidden behind bench seats in the Marquis of Granby were found by workers on a refurbishment project.

Back sufferer awaits verdict

Judgment has been reserved until next week in the case in which a back pain "lie detector" machine was used for the first time to support a horsewoman's claim against a driver who crashed into her.

Annette Durrant, aged 34, of Leamington Spa, Warwickshire, is seeking £250,000 from Alexander McDonald of Allesley Park, Coventry, for injuries suffered after the accident in 1987. Mr McDonald has admitted liability to the High Court in Birmingham, but his insurers contest the amount of damages.

Victim's son faints in court

THE teenage son of an alleged murder victim collapsed in court yesterday while listening to grisly details of his mother's killing.

David Robertson, aged 16, was in court in Malaga as his stepfather's confession to the brutal murder of Aberdeen-born Alice Hutchinson was read out. As he was helped from court, he shouted in Spanish to his stepfather Stuart Hutchinson: "You beast."

Hutchinson, aged 47, from Hartlepool, is accused of killing and chopping up his wife on the Costa del Sol nearly three years ago.

Minutes earlier, the court had heard an impassioned plea from Mrs Hutchinson's father, James Davidson, aged 71, that his son-in-law be

jailed for life. "I want him put away for ever," Mr Davidson said. Hutchinson, handcuffed and sitting on the other side of the court, stared impassively.

The court was told that on the night of February 20, 1989, Hutchinson had had an argument with his wife at the family villa in the resort of Fuengirola. Mrs Hutchinson had tried to run out of the front door after Hutchinson hit her, but he had dragged her back to the bedroom and hit her half a dozen times with a baseball bat until she died.

In a confession, Hutchinson described in gory detail how he drained his wife's body of blood in the bathroom and set up a makeshift marble slab on which to chop

her up. The task had taken him 40 hours. The court was told that Hutchinson kept his wife's entrails and the 38 bits of her body in buckets in the bathroom overnight before burning them in paint cans in the garden the next day.

Hutchinson claims that his wife left home after a row and went to London. In his summing up, Valentine Bueno, the state prosecutor, demanded a 25-year jail sentence for Hutchinson.

Hutchinson's lawyer, Pedro Apalategui, called for acquittal because no body had been found and Hutchinson had not had legal advice when he confessed.

A panel of three judges will give a verdict, expected within a fortnight.

Sulphur 'cuts global warming'

By NIGEL HAWKES
SCIENCE EDITOR

SULPHUR emissions from power stations and industry have slowed the rate of global warming, an international meeting of climate specialists has concluded.

By reflecting the heat of the sun back into space, tiny sulphate particles have counteracted the effects of greenhouse gases and reduced global warming by up to 20 per cent, scientists who advise the Intergovernmental Panel on Climate Change believe.

The 130 scientists from 47 countries who have just ended a meeting in Canton in China concluded that global warming is likely to be rather slower than earlier predictions, so long as sulphur emissions continue. However, because sulphur pollution causes acid rain, efforts are now being made to reduce it — and doing so is likely to accelerate global warming.

Lords seek rise in Sunday trade fine

By JOHN WINDER

THE House of Lords last night voted by 26 votes to 20 for a huge increase in fines for illegal Sunday trading, but the private member's bill containing the £50,000 proposed fine has no hope of passing into law in face of government opposition in a session truncated by the forthcoming election.

Viscount Brentford, chairman of the Keep Sunday Special Campaign, moving the

second reading of the bill, said that the present fine was £1,000, to be increased to £2,500 in October.

The debate became uncharacteristically bitter at times, especially when Lord Lucas of Clithorpe, Conservative, called the bill mean and miserable. Lord Brentford said he would much rather be supporting a government bill for reforming Sunday trading on a basis of consensus. Law-breaking by retailers was a deliberate flouting of the criminal law.

The Bishop of Liverpool, Rt Rev David Sheppard, said that the government had a big share in responsibility for the present state of the law.

Lady O'Carthain, a director of Tesco and a committed Christian, found Sunday trading a difficult personal issue. The strongest possible efforts should be made to ensure that those who do not want to work on Sundays should not have to. She opposed the bill.

O'Carthain: "Difficult issue" for a Christian

Duchess in racism dispute

FROM JAMES BONE IN NEW YORK

THE Duchess of York has walked into a new controversy by agreeing to attend a dinner-dance at a Florida club accused of excluding blacks and Jews.

Already besieged by questions about her relationship with a Texas oilman, the duchess has accepted an invitation to a banquet tonight at the Everglades Club in Palm Beach, a watering hole for the rich and famous.

Local Jewish activists complain that the club prevents Jews from joining or visiting members there. Among prominent Jews said to have been turned away are Leonard Bernstein and Estee Lauder. "The Everglades Club

presence did not imply endorsement of the club's membership policies."

The dinner-dance is being given by a socialite named Maggy Scherer in honour of the actress Stefanie Powers and her pet social cause, the William Holden Wildlife Fund. The guest list is said to include several Jews, although it was not known how many planned to attend.

The controversy follows publication of photographs showing the Duchess of York with Steve Wyatt, the adopted son of a Texas oil tycoon, during a Mediterranean holiday in 1990.

Alan Hamilton, page 10

Petrol giants put up prices

Petrol prices are starting to rise again after a series of falls which pushed the cost of a gallon below pre-Gulf war levels.

Esso announced a 4.5p a gallon (1p a litre) increase only a fortnight after cuts of 6-7p. The company blamed the move on the weakening of the pound against the dollar and a rise in international petrol prices. Mobil last night followed by raising the price of four-star leaded petrol from 215.9p to 220.5p (48.5p a litre) while unleaded will rise from 199.6p to 204.1p (44.9p a litre).

Radio 3 post

Nicholas Kenyon, music critic of the Observer and editor of Early Music, has been appointed the controller of BBC Radio 3 and will take up his position on March 1. The BBC said last night.

Free bank notes for readers

READERS of The Times and The Sunday Times who have started a collection of foreign banknotes after the launch last week of the Sunday Times International Currency Collection will receive two more free notes on Sunday and Monday.

A Peruvian 1,000 Intis note will be given away with the Sunday Times Magazine tomorrow and on Monday a Brazilian 1,000 Cruzeiro note will be given away with The Times.

The bank notes can be mounted in a special album which will be given away in The Sunday Times Magazine on January 26 and on February 2.

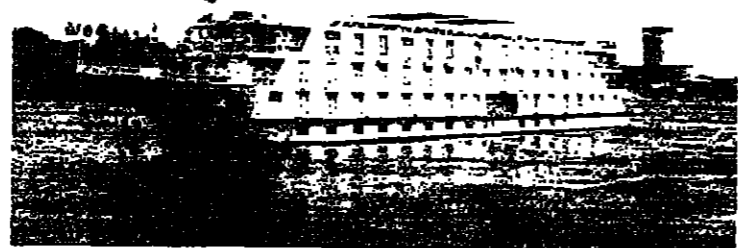
Details of how to obtain a presentation wallet of further notes to be added to the collection will be published.

A WEEK ON THE NILE

An unusual set of circumstances makes it possible for us to offer a unique opportunity to journey along the Nile on one of the finest vessels on the river at a price that reflects a saving of many hundreds of pounds.

Our week will be spent cruising the Nile in Upper Egypt between Luxor and Aswan visiting the wonderful sites along the way including the temples of Luxor, Denderah, Abydos, Valley of the Kings, Valley of the Queens, Colossi of Memnon, Karnak, Edfu, Kom Ombo and Philae.

The MS Ra Recently built in Britain the MS Ra is a large purpose-built Nile cruiser that can accommodate up to 140 passengers. She is an excellently designed, sleek vessel offering all the benefits of modern high technology. Facilities on board include a large restaurant, lounge, bar, sun viewing deck with swimming pool, jacuzzi, and a small health club. The cabin accommodation is



Aboard the first-class MS Ra from £495

air-conditioned, bright and airy with large French-style windows which open to offer splendid views of the banks of the Nile. All the cabins are fully air-conditioned and have private bathrooms.

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A Week on the Nile

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Pavarotti fan aged 5 awarded £2.5m for birth blunder

A BRAIN-DAMAGED girl whose only real joy in life is opera — and Pavarotti in particular — stands to receive more than £2.5 million damages over the next 25 years.

A High Court judge who approved the damages settlement for Alexandra Mulligan, aged five, was told by Michael Brent, her QC, yesterday that the music had a calming effect on her. Mr Justice Rousfield said: "She can tell Pavarotti from Domingo. She has good taste."

Now that Alexandra's financial future is secure, her parents plan to buy her a CD player so she can listen to her favourite music in style. The damages to wheelchair-bound Alexandra, who suffered brain injuries through oxygen starvation at birth, will be even higher if she defies doctors' predictions and survives beyond her estimated 30-year life span.

The structured settlement, based on annually-increasing investment income, was agreed with Menon and Sutton health authority, responsible for St Helier's hospital,

Carshalton, Surrey, where Alexandra was born. She now lives with her family at Alwoodley, Leeds.

The health authority admitted liability for Alexandra's injuries, which left her handicapped with cerebral palsy, unable to speak and needing constant care. Doctors estimate she will live for another 25 years. Money invested over that period will result in her receiving £2,529,962. Michael and Avril Mulligan, her parents, believe she will live longer. Should she survive to the age of 60, she would receive more than £16 million.

After yesterday's agreement, Mr and Mrs Mulligan talked of the unexpected discovery of their daughter's love of opera. Neither was an opera fan, but they noticed during the televising of the soccer World Cup that she responded when she heard Pavarotti singing the Nessun Dorma theme tune.

"She just loved it," Mrs Mulligan said. "We bought the record for her and she loved the other side as well. So

we started buying more opera tapes. She obviously likes some more than others, but her musical taste is definitely in this direction. As far as stars are concerned, she definitely shows a preference for Pavarotti."

Mr and Mrs Mulligan, who were praised in court for their devotion to their daughter, have taken her to performances of *Carmen* and *Madame Butterfly*. So far, they have worn out four cassette players. Now, Mrs Mulligan said, the aim was to buy a sophisticated CD player.

Mrs Mulligan, a physiotherapist, has also received compensation for what happened at Alexandra's birth in April 1986. She was awarded £3,500 agreed damages at an earlier court hearing for the pain, injury and loss she suffered.

The family of a "charismatic" Baptist minister who died at the hands of a drink driver two years ago won a damages award in the High Court estimated at £200,000.

Judge Diamond, QC, said of the Rev John Raynes: "He was a man of quite exceptional qualities both as a spiritual leader, preacher and pastor and as a husband and father."

John Raynes was not a man to whom financial rewards were a matter of any significance — he had a remarkable capacity to inspire and counsel all those with whom he came into contact. He had, moreover, a remarkable talent as a preacher and a particular gift for ministering to children. He had a charisma which appealed to many people and could preach in a manner which reached and touched many kinds of people whatever their age."

The court heard Mr Raynes died when a minibus struck his car on the Twerton to Combe Down Road near Bath on November 13, 1989. He left a widow, Rosemary, now aged 48, and three children — Timothy, 20, Andrew, 19 and Stephen, nine.

Michael Godfrey, the minibus driver, of Keynsham, Bristol, was later convicted of causing death by reckless driving and driving with excess alcohol.



Firemen, top, putting out the blaze at Lord Cheshire's cottage at Greatham, Hampshire, yesterday. left, Lord Cheshire recovering in hospital, and, right, as a bomber pilot in the second world war

Cheshire, VC, escapes house fire

THE war hero Lord Cheshire, VC, told yesterday of his escape from a fire in a cottage where he was sleeping.

Looking relaxed and cheerful, the former Group Captain Leonard Cheshire sat up in bed in hospital at Basingstoke, Hampshire, where he was taken after inhaling smoke, and said: "I feel fine." Lord Cheshire, aged 74, is expected to leave the hospital today.

Lord Cheshire, who took part in 100 bombing missions in the second world war, had gone to a rural cottage in the grounds of the Le Court Cheshire Foundation Home, near Liss,

Hampshire, to write an article defending "Bomber" Harris. An electric blanket he had put on to air a bed for his daughter Gigi — due to stay with him — caught fire and Lord Cheshire escaped from his bedroom through a window to a porch ledge.

Lord Cheshire waited there barefoot in the cold for 25 minutes waiting for the fire brigade to arrive and managed to grab his dressing gown through the open window, but left his slippers behind. "I remember saying to myself 'Get your priorities right,'" he said. "I was thinking, 'Forget your slippers.' I have read about people in

disaster situations and I have often read that people have gone back for one thing and that has been their undoing."

Lord Cheshire said that, in need of a restful night, he had unplugged the telephone "like a fool" so that he would not be disturbed. He woke about 4am to hear a noise that, at first, he thought was an intruder, before realising that it was a fire when he felt the heat.

The lights were not working, but, fumbling in the dark, he had managed to plug in the telephone and call the fire brigade as smoke began to enter his room.

As Lord Cheshire recovered from effects of smoke inhaled into his only lung — one was removed during the war after he contracted TB — he shrugged off his brush with death as "just another event" in an eventful life.

He said: "It's lucky I'm a light sleeper. I'd been asleep for six hours when I woke — three more minutes, then I would have been in trouble." He added: "I never realised what effect smoke has... It comes right into you."

Lord Cheshire yesterday contacted his wife, Sue Ryder, his fellow charity worker, by fax in Poland to tell her what had happened.

Big Mac protesters chew over latest setback

BY RAY CLANCY

THE McDonald's fast-food chain has won the latest round in its fight to open a burger restaurant in the affluent London suburb of Hampstead.

Camden council has conceded that planning permission granted in 1988 for the High Street premises now leased by McDonald's is still valid, delivering a severe blow to residents who oppose the burger company's arrival. Paul Preston, president of the company's UK operation, said: "I am delighted and we are now proceeding full speed ahead."

McDonald's has still some way to go, however. The council says that the company must still seek planning permission for the restaurant frontage and for the installation of a ventilation plant and equipment. The application will go before the development sub-committee, and opposition is expected to be vigorous.

Residents object on the grounds that the restaurant will not fit in with Hampstead's village atmosphere and will create a litter problem. Pamela Shipley, of the Heath and Old Hampstead Society, which has campaigned against the move, said: "We can't understand it. We are continuing to take legal advice because we think that Camden has got it wrong."

The council accepted that planning permission for a burger restaurant at the premises, at present a book shop, was still valid after McDonald's threatened to take action in the High Court. It had previously invited the company to seek a formal clarification.

Mr Preston said: "Camden recognised that the position we took initially was sound and valid. I am just happy that we didn't have to take this thing further, wasting taxpayers' money."

Mr Preston said that McDonald's would consult with English Heritage and council planners to find a suitable design for the frontage.

Leading article, page 11



Opera lover: Mrs Mulligan with Alexandra

Police deny promotion race bias

A POLICEMAN who was repeatedly rejected for promotion was trying too hard to achieve the rank of inspector, an industrial tribunal was told in Leeds yesterday.

Sergeant Raham Khan failed four times to be promoted despite having the full backing of his senior officers. After his last unsuccessful application in 1991 he said he believed his racial origin was being held against him, because less qualified white candidates were promoted ahead of him.

Roger Emm, for West Yorkshire police, told the tribunal it was not unusual for officers to fail four times to become an inspector. The man who headed the final interview panel, Chief Supt Stuart Clough, said: "I definitely did not take his racial background into consideration. I badly wanted him to become an inspector but he gave a bad interview."

Sergeant Khan, of Allerton, Bradford, claims racial discrimination, saying police blocked his promotion because he is Asian.

The hearing was adjourned until March 11, when a ruling will be given.

New gold case jury warned

THE trial of four men and a woman accused of laundering proceeds of the £26 million Brink's-Mat robbery began for the second time yesterday with the new jury being warned to ignore speculation about why the last one collapsed.

Michael Austin-Smith, for the prosecution, told the jury: "Some of you may have read in the press about how this trial, being tried before another jury, came to a standstill last November. Some of you may have read the press speculation about the reasons why, much of it inaccurate. Please put it entirely out of your minds. What happened in November has nothing at all to do with this case."

He added: "Please do not let anything you read then adversely affect you as far as these defendants are concerned."

The court was told that profits from Britain's biggest bullion robbery were laundered at a rate of £1 million a month. Huge sums were paid into banks in cash and then "washed" through accounts throughout the world.

Gordon Parry, aged 47, a property dealer of Westernham, Kent, denies charges of handling proceeds of the robbery. Brian Perry, aged 51, of Biggin Hill, Kent; Jean Savage, 46, a tobacconist, of West Kingsdown, Kent; Patrick Clark, 50, a property developer, of Chingford, east London, and Stephen Clark, 23, a restaurateur, of Chingford, all deny one charge of plotting to handle the robbery proceeds.

Jail rioter 'acted like wild animal'

BY RONALD FAUX

AN ALLEGED ringleader of the Strangeways riot was like a wild animal, screaming abuse and stripped to the waist, as he unlocked cells and violence swept through the jail, Manchester crown court was told yesterday.

Lawrence Murphy, a prison officer at Strangeways, said that he saw Paul Taylor, aged 24, who is charged with murder and riot, "high as a kite" with a set of prison keys. "He came round about me on the top of A4 landing and he looked me in the face. He said 'Right, you bastard, I'm the boss now. I have got the f... g keys.'"

Taylor opened the gate leading to A4 landing and unlocked doors and cells on the left-hand side before moving across to the right-hand side, Mr Murphy said. Prisoners came from their cells and started throwing debris into the well of the block. Mr Murphy said that prison staff had twice been warned that there might be trouble and all inmates not attending church service on Sunday, April 1, had been locked in their cells.

David Mitchell, a "trustworthy" prisoner at Strangeways when the riot broke out, said that he heard shouting and the smashing of glass outside his cell on the Sunday morning. His cell door was opened. "I could not believe it when I saw Paul Taylor with cell keys," he said. He saw Taylor working quickly along the row of cells in C wing. He had another prisoner with him "lifting the tally to see if anyone was in the cells".

As hundreds of prisoners left their cells and clambered on to scaffolding, Mitchell was told someone had been taken up to the gallery and was to be thrown off.

A row of cells in C wing held segregated prisoners including sex offenders. A prisoner went to one cell and said to Mr Mitchell: "Look in here, he has hung himself." Mr Mitchell said: "I could see a prisoner hanging by his neck with a shirt or tie tied to the bars."

Five men face murder and riot charges. Three others are accused of riot. The hearing continues on Monday.

Ode brings island solace

BY BILL FROST

BEETHOVEN has emerged an easy winner in a castaway hit parade compiled by the producers of *Desert Island Discs* to celebrate the programme's half century.

"Ode to Joy" from his Ninth Symphony was a clear favourite among those consigned to a palm-fringed isolation over the past 50 years.

With two more top 20 hits, Beethoven dominates the chart which has few concessions to 20th-century music, apart from Gershwin's *Rhapsody in Blue*. "Mozart fails to feature at all, which is very surprising," a programme spokesman said.

Margaret Thatcher, while still leader of the Opposition, showed catholic choice in her selection. Among her choices were *Smoke Gets In Your Eyes* and *Introducing Tobac-*

co To Civilisation, a comic monologue by Bob Newhart. Neil Kinnock chose a recording of "Horace the Horse", performed by his daughter Rachel when she was two.

As the BBC made final preparations for a celebrity party to mark the anniversary, John Major yesterday became the first serving prime minister to sit in the castaway's deckchair. The programme will be broadcast a week tomorrow.

Desert Island Discs Top 20:

1, Beethoven *O Freunde, nicht diese tona* (Ode to Joy); 2, Debussy *Clair de Lune*; 3, Elgar *Pomp and Circumstance*; 4, Wagner *Liebestod* from *Tristan and Isolde*; 5, Gershwin's *Rhapsody in Blue*; 6, Bach/Gounod *Ave Maria*; 7, Mendelssohn's

Nocturne from A Midsummer Night's Dream; 8, Beethoven *Symphony No 5*; 9, "Hallelujah Chorus" from Handel's *Messiah*; 10, Verdi "Dies Irae" from the *Requiem*.

11, Elgar *Cello Concerto*; 12, Beethoven *Piano Concerto No 5* third movement; 13, *Finale* from Tchaikovsky's *Swan Lake*; 14, Rachmaninov *Rhapsody on a theme from Paganini*; 15, Gounod *Sanctus*.

16, Elgar *Nimrod* from the *Enigma Variations*; 17, Vaughan Williams *Fantasia on Greensleeves*; 18, Bach *Double Concerto* for two violins and orchestra in D minor; 19, Wagner *Ride of the Valkyries*; 20, Charles Trenet *La Mer*.

Weekend Times

THE SUNDAY TIMES

The good hospital guide

Where in Britain are the shortest hospital queues? Tomorrow The Sunday Times Good Hospital Guide will reveal how long you can expect to wait for your operation. The exclusive analysis



will also help you to decide when it's worth going private. As the debate over the state of the NHS becomes a key election issue, The Sunday Times offers an expert diagnosis. For the good of your health, read it

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£350+	£25
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سنة 1 من الال

Brooke envisages defeat for his stalled Ulster initiative



Brooke: prospects of advance receding

PETER Brooke, the Northern Ireland secretary, perhaps making one of his last significant contributions to Irish politics, all but admitted yesterday that his latest talks-about-talks venture has collapsed.

Speaking in Dublin after meeting Gerry Collins, the Irish foreign minister, he told the city's chamber of commerce: "The prospects of advance recede. The uncertainties of the outcome of the election, on the one hand, and the need on the other for a process of this kind to have a reasonable chance of continuing to a conclusion, provide understandable obstacles to progress now." The main problem this time has been the reluctance of unionists to commit themselves to continuing negotiations with the Social Democratic

The Northern Ireland talks have lasted two years. How far have they progressed and where do the parties stand? **Edward Gorman reports**

and Labour party after the general election if Labour wins.

Unionist leaders argue that given Labour's stated intention of working towards "unity by consent" in Ireland, they would be foolish to commit themselves in advance. David Trimble, the Ulster Unionist party MP for Upper Bann, made clear that no amount of reassurance from Kevin McNamara, the shadow Northern Ireland secretary, this side of an election, would suffice. His party would need to talk to Labour in power to decide realistically whether to continue. That is a basic stumbling block which was

foreseen by everybody — particularly the Northern Ireland Office — well before Mr Brooke tried to restart the process in December.

It calls into question the wisdom of attempting that restart in a period fraught with such uncertainties, especially given the tendency of the two main participants to look for any excuse to avoid coming to the table. One suspects Mr Brooke — about whom there is increasing speculation that he will not return to Stormont whatever the result of the election — may not have believed himself that real progress was possible before the election. He may have been

goaded into action by an upsurge in violence during the autumn.

The breakdown has demonstrated again that the political will Mr Brooke has so often tried to imagine exists for reconciliation between unionists and nationalists still does not exist. The breakdown must also have serious implications for future policy. More than two years of failure in reaching consensus suggests that simply resurrecting the Brooke formula after the election will achieve nothing but more stalemate in the long run.

Critics of government policy from different viewpoints might argue that now is the time to abandon the search for power-sharing devolution and revert to unionist-backed integration policies or, conversely, push ahead

with the Anglo-Irish agreement over the heads of the parties.

A more likely possibility is for the government to have another go at legislating a solution, something which John Alderdice, leader of the Northern Ireland Alliance party, again called for yesterday. He said that a future government should draw up legislation outlining a settlement based on Mr Brooke's researches and then, after consultation, start to make it a reality in Belfast.

□ A part-time member of the Ulster Defence Regiment and three former members, all from Ballymoney in Co Antrim, appeared in court in Belfast yesterday on terrorist charges and were remanded in custody for a month.

Letters, page 11



Collins met Brooke in Dublin yesterday

National lottery bill collapses after MPs hold back their votes

By Robert Morgan, Parliamentary Staff

A PRIVATE member's bill to allow the setting up of a national lottery fell at the first fence in the Commons yesterday. MPs failed to turn out in sufficient numbers to back it and a technical "closure" motion to end the debate failed to get through when fewer than 100 MPs voted for it. The voting was 84 to 35.

The government indicated scepticism about the bill, although Peter Lloyd, Home Office minister, did not rule out a lottery and promised an urgent study. He said that before the law was changed there had to be wide consulta-

tions. The bill was introduced by Ivan Lawrence, a barrister and MP for Burton, to a House unusually crowded for a Friday. He tried to counter the arguments against a lottery from pool promoters, the anti-gambling fraternity and those speaking for small charities, who feared that they would lose income from their own local draws.

Mr Lawrence said that millions of players would take part and about £3 billion could be raised every year. This would be split between prize money, money for the beneficiaries, and adminis-

trative expenses and tax. It would provide much-needed funds to support sport, the arts and charities.

The bill was backed by the Sports Council and the Arts Council and many other sporting and cultural bodies.

Mr Lawrence rejected the "old-fashioned" view that the poor had to be protected from wasting their money on gambling — the contention of the 19th century moralists who ended national lotteries in Britain in 1826. He discounted the pool companies' fears that they would have to shed jobs. He predicted a national lottery creating up to 18,500 jobs with many tickets sold through corner shops and sub-post offices, giving them much-needed income.

Peter Kilfoyle, Labour MP for Liverpool Walton, was the first of several MPs from Merseyside, home of the football pools industry, to criticise the bill. He called it a "dog's breakfast". David Alton, the Liberal Democrat from Liverpool Mossley Hill, said it gambled with people's jobs and promoted an Alice in Wonderland game.

Denis Howell, a former Labour sports minister, and Sir Richard Luce, a former Tory arts minister, backed the bill.

Mr Lloyd said that any bill to allow a national lottery had to contain provisions on how it was to be run, how the revenue was to be divided up and who was to be in control. Mr Lawrence's measure did not contain these provisions.

But he added: "The government sees attraction in the concept of a national lottery and we wish to examine further the issues which it raises."

□ A bill being rushed through Parliament to impose tougher penalties on joyriders last year was designed to impress newspapers rather than depress potential criminals, Lord Morris of Castle Morris, speaking for the Opposition, told the Lords.

Lady Mallett (Labour) said that a proper response would have been to increase maximum penalties for the basic offences of taking a vehicle and allowing oneself to be carried in an illegally-taken vehicle. The bill was bad law and ineffective.

However, the Aggravated Vehicle-Taking bill was given an unopposed second reading.

Care man jailed for sex abuse

By Kerry Gill

A COUNCIL care worker was jailed for five years yesterday for sexually abusing mentally handicapped men and women in his charge. Allan Stephen, aged 44, a married man with two children, hid behind a mask of respectability for eight years before being caught, the High Court at Stonehaven, Grampian, was told.

Lord Marnoch, the judge, said: "This was a gross breach of trust, the emotional and other consequences of which are quite incalculable."

Stephen, now dismissed from Grampian social work department, had been a care officer for 20 years and also looked after his wheelchair-bound wife, who suffered from multiple sclerosis, the court was told.

Stephen, of Aberdeen, admitted sex offences involving two women and two men. They included taking indecent photographs of one woman. The offences came to light when a victim told another handicapped woman to be careful of Stephen because he was "silly".

Andrew Lamb, for the defence, said: "I understand that with the onset of his wife's condition, their own relationship necessarily changed and that is the only explanation he can give."

John Morris, advocate depute, said that it seemed that Stephen had told his victims that any complaint they made would not be believed.

Ford puts 3.7% on car prices

By Kevin Eason, Motoring Correspondent

FORD is to increase prices by an average 3.7 per cent within days of the publication of the Monopolies and Mergers Commission report into car prices which are claimed to be 30 per cent higher in Britain than abroad.

Peter Lilley, trade and industry secretary, is expected to publish the findings of the commission's 18-month enquiry next week. However, Ford has already decided to increase the cost of its cars across the board from January 27 to head off rising costs at its big plants.

The move was criticised yesterday by the head of Swan National, one of Britain's biggest rental and leasing companies, which buys 35,000 new vehicles a year, including many Fords.

Freddie Aldous, chairman and chief executive, said: "This is the fourth price increase since January 1991. It is irresponsible if the motor manufacturing industry in the UK continues to increase vehicle prices year after year well in excess of annual inflation."

Mr Aldous, also a vice-chairman of the British Vehicle Rental and Leasing Association, added: "I urge all vehicle manufacturers to act responsibly to keep future price increases to a minimum, as all their customers are having to do."

Ford said the price rises would apply across Europe.



A stitch in time: A Romanian student learns textile conservation techniques in Britain that she plans to put into practice in her native country. Viorica-Ioana Sladescu and two colleagues began the six-month visit yesterday by studying work on a tapestry at Hampton Court, London

Publishers attack EC plan

By Louise Hidalgo

EUROPEAN Community proposals to ban the advertising of tobacco and restrict that of other products are a direct attack on the freedom of the press, the European Publishers Council said yesterday.

The council, which represents some of Europe's most powerful publishing concerns, was meeting at Castlemartin, near Dublin, to agree a declaration of concerns stemming from what it sees as "potential interference" from the EC on the advertising of products from tobacco to pharmaceuticals.

It called for the press in Europe to be allowed to regulate its own advertising.

Representatives of the council, whose 19 members

include News International, which owns The Times, are to present the declaration to Jacques Delors, president of the European Commission, at Brussels next month.

The declaration states that advertising content should be left to self-regulation in individual member states. It says that advertising revenues are vital in supporting "pluralism, diversity and the freedom of the press" by allowing it to function profitably and freely, and that a free and independent press is a "fundamental institution in political democracies".

The declaration also covers tariffs on paper, which it calls on the commission to abolish, and readers' right to redress, which it says is upheld by all

its members. Sir Frank Rogers, chairman of the council and deputy chairman of The Daily Telegraph, said that the principle of self-regulation had already proved itself successful in the UK and other member states. A ban on tobacco and alcohol advertising would "severely jeopardise" the commercial viability of magazines and newspapers across Europe.

Japanese Nessie is toast of Scotland

By Harvey Elliott, Travel Correspondent

KUSHI, the monster said to live at the bottom of a deep, dark lake in the north of Japan, is about to become the hero of Scotland by rescuing its tourist industry from the lingering effects of the Gulf war.

When officials from the Scottish Tourist Board went to Japan at the end of last year, they were astonished to discover that almost everyone they met wanted to talk about little but the Loch Ness "monster". Scotland's legendary tourist attraction, the Japanese said, has a relative, which a series of television "presenters" had convinced them was alive and well and living at the bottom of Lake Kyushu in Bihoro province.

So great was Japan's interest that the tourist board is mounting two campaigns there, taking with it dozens of green furry toys representing Nessie. The board hopes that they will help to woo Japanese travel agents to send their camera-toting clients who, the Scots are convinced, will stand far more chance of seeing Nessie than her long-lost cousin Kushi.

"We have discovered that the Japanese are interested in the Loch Ness monster, golf, whisky, turans and Burns in that order," Ian Grant, chairman of the Scottish Tourist Board, said. "Our research shows that all the indications are that the 36,000 Japanese who came to Scotland in 1990 and again in 1991 will rise sharply to over 100,000 by 1994."

The influx of Japanese visitors will not come a moment too soon. Scotland is bracing itself for a sharp fall in the number of English tourists. In 1991 the number of visitors from south of the border increased by almost 20 per cent, while the number of Americans fell by 25 per cent. But the trend which helped to give Scotland the best tourist figures of any part of Great Britain last year is set to go into reverse.

When the Channel tunnel is opened in 1994 more English families, especially from the South-east, will head for continental Europe, the Scots fear. That makes the Japanese — and Kushi — even more important.

Thief stole rare birds worth £18,000

A thief travelled to 2005 country houses and garden centres around the country to steal rare birds worth over £18,000. Norwich crown court was told yesterday, Edward Hannibal was caught after he and an accomplice triggered an alarm at Kilverstone Park, a country house in Norfolk.

Hannibal, aged 40, a carpenter of Ware, Hertfordshire, was jailed for 21 months, suspended for two years, after admitting aggravated burglary, trespassing with intent to steal, and having an offensive weapon.

Gordon Brace, aged 22 and unemployed, of Hoddeston, Hertfordshire, who went on two raids, was sentenced to 12 months' imprisonment, suspended for two years, after admitting similar offences.

Crash-escape

A businessman escaped with cuts and bruises after the helicopter he was piloting crashed into a field near Bracknell, Berkshire, and burst into flames. Jim Crockett, aged 37, of Barnet, north London, managed to walk nearly 600 yards to a farmhouse to get help.

Deadly dispute

A woman who set light to her neighbour's house, killing her, because her puppy would not stop barking was cleared of murder at Nottingham crown court. Lillian Ramsay, aged 36, of Basford, Nottingham, admitted manslaughter and arson and was jailed for ten years.

Forgery charge

A barman appeared before Brent magistrates in north London charged with unlawful possession of 60 million forged Dutch guilders (£20 million). Andrew Thomas Bourke, aged 44, of Willesden, was remanded in custody for a week.

Rapist jailed

A Coventry man was jailed for 15 years at Birmingham crown court after admitting a series of rapes at knife-point. Andrew Singh, aged 31, admitted one charge of attempted rape and four charges of rape over two years.

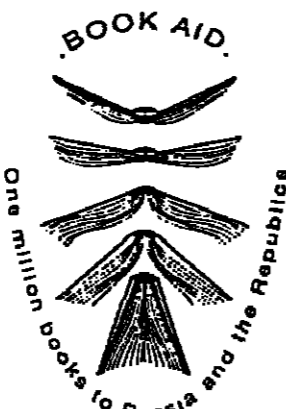
Book lovers pen sequel to Soviet plea of '45

By Matthew D'Ancona

STUDENTS of Russian intellectual life may find Book Aid's invitation to the public to donate books for Russia and the republics next week oddly familiar. This is not the first time that the West has been asked for literary aid by the libraries of the former Soviet Union.

Almost 50 years ago, Margarita Rudomino, founder and director of the Library for Foreign Literature in Moscow, told the Western press that the war-torn Soviet Union needed one million English-language books to restock the libraries of Russia's largest cities, ransacked by Nazi troops.

"Most of what little they left went up in flames during battle or when they torched cities upon the approach of the Red Army," Miss Rudomino told an American reporter in 1945. "There were 40,000 foreign language



books in the Kharkov public library, 15,000 of them in English, and in Rostov there were 17,000 English volumes. They are all gone."

Today, her successors are making a similar plea for help, this time to repair the literary damage wrought by the politics of the cold war. The M.I. Rudomino State Library for Foreign Literature, which changed its name in honour of its founder in 1990, hopes to distribute a million English-language books as Book Aid's Russian partner, 150,000 of which have already arrived in Moscow.

National Book Aid Week lasts from Monday January 20 to Sunday January 26. Books may be handed in at: Heffers, 20 Trinity St. Cambridge; Blackwell, 50 Broad St. Oxford; H.J. Lear, Royal Arcade, Cardiff; Blackwell's, Farnham (both branches); and the following branches of Waterstone's: London: Charing Cross Rd. Croydon, Covent Garden, Hampstead, Kingston upon Thames, Northing Hill Gate, Richmond, Wimbledon; Aberdeen: Bath (4/5); Milton St.; Birmingham: Bournmouth; Brighton; Bristol (The Galleries, Broadmead); Caninebury; Cheltenham; Edinburgh (Princes St. and George St.); Exeter; Glasgow (Princes St.); Guildford (North St.); Lancaster; Leeds (3/1/97); Alton St.; Liverpool (52 Bold St.); Maidstone.

Manchester (Deansgate and St Ann's Sq.); Newcastle; Norwich (St Stephens St.); Nottingham; Perth; Preston; Sheffield; Shrewsbury; Stratford upon Avon; Swindon; Winchester; Worcester; York. Books will be collected during the week and brought to London by TNT. Larger book donations: Book Aid warehouse (071 713 7258). Please do not send books to The Times. Cheques payable to Book Aid may be sent to Waterstone's Ltd, 37 Leamth Place, London SW3 3QH. Donors and volunteers will be entered into a draw: first prize, return flight to St Petersburg or Moscow, donated by Barry Martin Travel; second prize, case of wine donated by Oddbins; five runners-up £20 book vouchers each, donated by Waterstone's. Winners will be contacted by February 14.

Manuscripts, which changed its name in honour of its founder in 1990, hopes to distribute a million English-language books as Book Aid's Russian partner, 150,000 of which have already arrived in Moscow.

Ekaterrina Genieva, deputy director of the library, said: "History has a tendency to repeat itself. I'm very happy and you should be very proud that history has repeated itself through Book Aid."

In 1945, the Soviet Union requested volumes of poetry, novels by writers such as Hemingway, Steinbeck and Priestley and classic texts by Shakespeare, Chaucer and Milton. Fiction remains in demand today, but modern tastes are broader. Requests have been made for works of philosophy, technical manuals, ecological books, religious books, and, unexpectedly, detective stories.

Children's books are also in short supply in Russia and the republics. The Rudomino library held a Christmas party for 520 children this month, at which each child was given a book provided by Book Aid. The library hopes that many more children will benefit from next week's national appeal.

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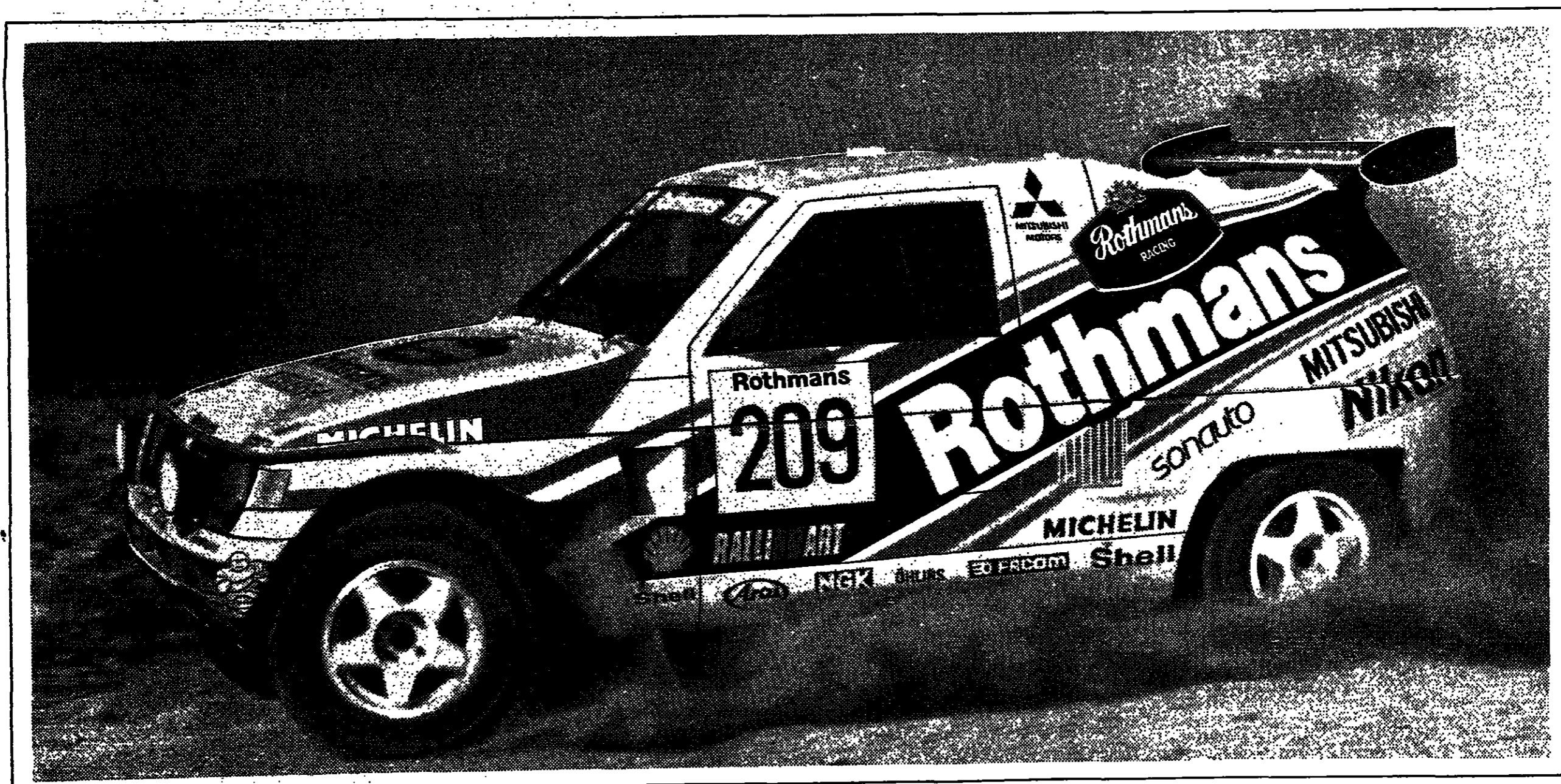
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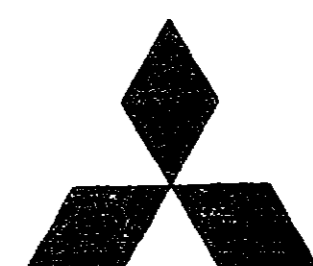
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مكتبة في الجبل

Speedy microwaves can spoil the flavour

SCIENTISTS may have proved what gourmets have suspected for some time: while food cooked in microwaves might be on the dinner table faster it is generally less tasty than conventionally cooked food.

Studies by two chemists have found that the chemical reactions which give cooked food its flavours are not given enough time to flourish in microwaves.

Worse still, microwaving can create some chemicals which give foods "off" flavours such as burnt, pungent or fishy tastes — fine crème brûlée or kippers but bad

Beware the fishy flavour in your soufflé. Cooking with a microwave oven is all a question of taste, reports Nick Nuttall

news for a soufflé.

The findings have been made by Helen Yeo and Takayuki Shibamoto at the University of California who studied the effects of cooking bread, cakes, meat and vegetables in a microwave oven.

The researchers harnessed a system known as the Maillard reaction which predicts how the sugars and proteins found in food will combine during cooking. De-

pending on how these reactions occur desirable or undesirable flavour chemicals will be made.

The good ones, called thiazoles, cafurans and pyrazines, give foods a wide range of tasty flavours including meaty, caramel, buttery, roasted and nutty tastes.

The "off" chemicals are called thiophenes, pyrroles and oxazoles which give food less appetising fishy, burnt

and rubbery flavours and ones which resemble the taste of hay, boiled corn and vegetables.

The studies found that in each of the tests fewer of the "tasty" chemicals were created and in some cases some of the "off" ones were also made during microwaving.

In cakes, for example, the chemicals that give food nutty and caramel flavours were in short supply or absent.

Microwaved meat had only a third of the proper flavour chemicals than meat cooked to the same degree in an ordinary oven.

Tastings confirmed the findings. People eating the cakes, for example, claimed they tasted a bit like green vegetables which comes from the presence of oxazole compounds.

The researchers, whose findings are published in *Trends in Food Science and Technology*, believe that the temperatures are too low and the cooking times too short in microwaves for the right flavour chemicals to develop.

The findings have surprised few of Britain's leading chefs. Michel Roux of Le Gavroche in Mayfair, central London, said yesterday that he had never used a microwave at the restaurant.

"I have a microwave at home but use it only to warm baby milk. I can understand why odd flavours appear with microwaves because of the way they work," he said.

"In cakes say where there is a high sugar content, the sugar will burn before the cake cooks and you will get a bitter taste," said Mr Roux.

Gary Rhodes, of the Greenhouse Restaurant, also in Mayfair, who is trying to revive slow-cooking methods such as braising, stewing and pot-roasting, said: "Microwave cooking has to be taken for what it is. It is cooking for convenience and like all or most convenience foods it is not the way food should or could be." Only slow-cooking gave sugars, for example, the chance to caramelise, he said.

"Instant cooking, two, three or even ten minutes, gives you no chance at all of creating real flavour," Mr Rhodes added.

Food and drink, Weekend Times, pages 6, 7

After nine long years baby Madeline takes her bow

FROM ROBERT COCKBURN IN SYDNEY

IN A world first for Australian artificial birth pioneers, a delighted Sydney couple yesterday showed off their baby daughter conceived by a revolutionary micro-injection technique.

After nine unsuccessful years trying to have a family, Annabel Shortte conceived when sperm from her husband John was injected directly into the outer shell of her eggs using a fine needle. After three months in frozen storage, the fertilised eggs were replaced in her womb where one grew successfully into a healthy 8lb 7oz baby, Madeline.

"She's here. It's a miracle. It's wonderful," Mrs Shortte said. "I couldn't believe it, I really couldn't."

Mrs Shortte gave birth on Wednesday night after a 12-hour labour in Sydney's Royal North Shore Hospital. Holding Madeline in her hospital bed yesterday, Mrs Shortte told reporters that she and her husband want another child by the new technique.

John Shortte said there were times when it was difficult to carry on with the treatment. The Shorttes' previous attempts to conceive included four years of in-vitro fertilization treatments. Artificial insemination by donor was tried 13 times. "We did go on and here is



Pioneer trio: the Shorttes with Madeline yesterday

living proof that there is light at the end of the tunnel," Mr Shortte said.

Australia and Britain have been at the forefront of IVF research since the Seventies. Work is to continue in developing the micro-injection

technique. Doctor Ric Porter, of the Royal North Shore Hospital, said: "It shows how developed freezing techniques are and how robust that technique is. And in fact how strong the human embryo can be."



Taking off: Flight Lieutenant Cox taking to the cockpit of her Hawk yesterday

Woman pilot has Tornado in sights

THE RAF's first woman fighter pilot yesterday began to learn the aerial combat skills necessary to achieve her elite ambitions.

Flight Lieutenant Sally Cox, aged 29, is the first woman to take the 17-week tactical weapons course in the 600mph Hawk jet training aircraft at RAF Chivenor, Devon. With ten male pilots, Flt Lt Cox from Ipswich, Suffolk, will learn how to dive-bomb, fire the Hawk's 30mm cannon on ground and air targets, and simulate combat.

Her ambition is to score another female first by flying the Tornado F3 fighter which forms Britain's front-line air defence. First Flt Lt Cox, who was presented with her wings last month, must pass the physically and mentally demanding tactical weapons course, which involves two hours flying a day.

Flt Lt Cox spent six years as an RAF flying controller before becoming one of the first two women to take the jet aircraft training course two years ago when the RAF changed its policy allowing women to fly. Already the holder of a private pilot's licence with 90 hours of flying time, she was selected for fast jet training following a change in government policy last December and after completing some advanced flying training.

She says that being able to fly jets has been "a dream come true. It is a really brilliant job, which I would do for less pay. The thrill is doing a hundred different things at the same time, getting the job done, sometimes flying 250 ft above the ground at 400mph."

WI gives up the struggle

After more than 60 years of jam and Jerusalem, the Women's Institute at Lyme Regis, Dorset, has disbanded because none of its members is willing to take on the responsibility of high office.

The national federation said yesterday that over the last decade, numbers had declined nationally by 90,000 to 310,000. One of the newest members at Lyme Regis, Mrs Bill Hargreaves, offered to be a member of the committee but would not undertake the onerous duties which come with a title.

Mrs Hargreaves is 91 and said that younger members of the 24-strong branch, average age about 70, would be better able to handle the strain.

News plea

Brussels: The International Federation of Journalists called on Israel to lift restrictions on Palestinian journalists and press censorship in Israel and the Israeli-occupied Arab territories. (AFP)

Dropping in

Paris: A 20-year-old man threw himself out of his 11th floor bedroom window after a row with his parents, then took the lift back up and rang the door to go in to wait for paramedics. (AFP)

Tourist record

Hong Kong: A record six million tourists visited Hong Kong in 1991 with arrivals from Taiwan, Japan and Southeast Asian countries heading the list. The total rose 1.7 per cent over 1990 to 6,032,061. (AFP)

Saving jaws

Washington: Federal regulators are considering putting dozens of shark species under protection because they are threatened by fishing.

Small claim

Besancon: A dwarf who calls himself "Mister Skyman" and makes his living being tossed in competitions plans to fight recent orders to halt the practice, claiming it deprived him of his job. (AP)

Model buses

Derby: Chesterfield Transport bus company bought by employees from Chesterfield Council in 1989, is being used as a case study for privatisation techniques at Moscow's Academy of National Economy.

Rockefeller hands on the torch

The Rockefeller family has passed on the torch of its multi-billion-dollar empire to the fourth generation, naming David Rockefeller Jr, aged 50, to head the family's affairs. "It certainly is a significant step in the history of the family," said David Rockefeller, aged 77, patriarch of the family for the past decade.

American director Spike Lee, who has previously forbidden South African cinemas to show his films, makes his first trip to the country next week to shoot part of a film, *Any Means Necessary*, about Malcolm X in the Johannesburg township of Soweto.

Jimmy Carter said in Atlanta that more of the world's less-developed nations are asking

for his help in resolving civil wars and ethnic disputes than he can handle. A meeting of 200 "eminent persons" at Carter's presidential library marks the first formal session of his "negotiating network".

Sir Peter Ustinov landed a new role yesterday when he

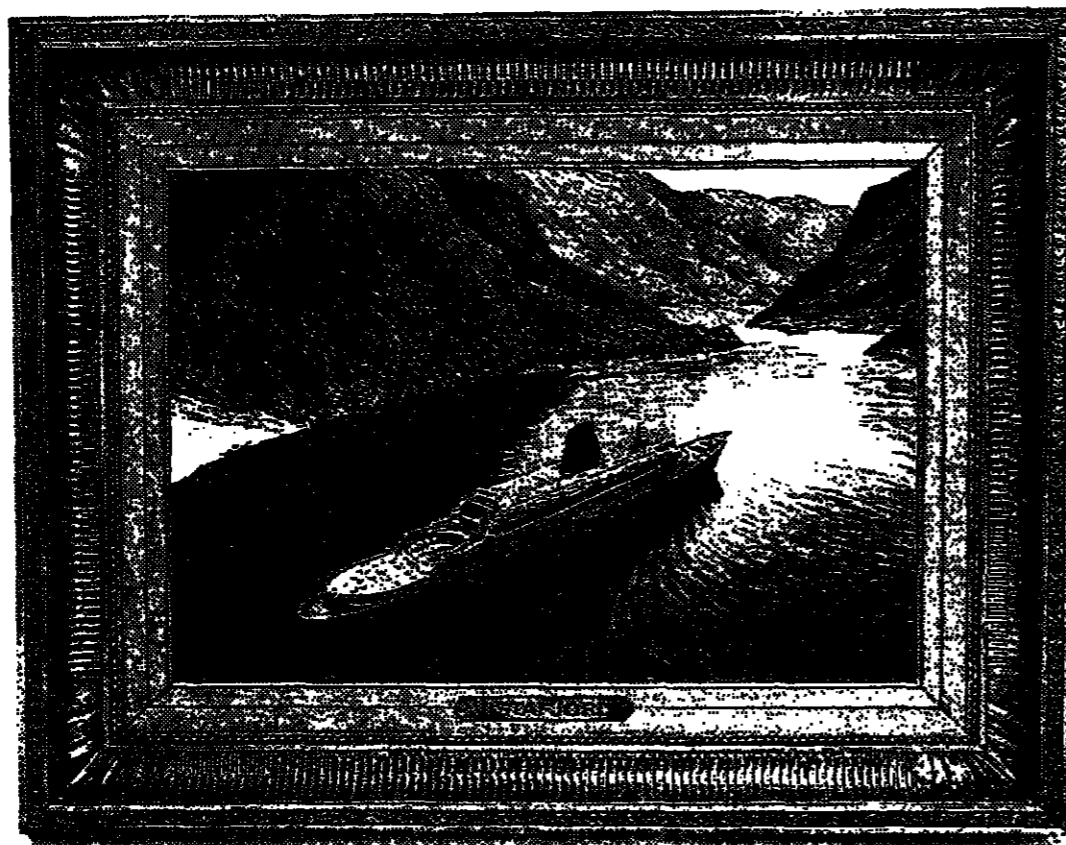


was appointed Chancellor of Durham University. Sir Peter, aged 70, was selected

from more than 60 nominations by the university's senate and council.

Former Washington mayor Marion Barry filed a \$5.5 million lawsuit against federal prison officials who reported that a visitor engaged in a sex act with him in front of dozens of people. Barry, serving a six-month term for cocaine possession, has been transferred to a medium-security jail.

Journalists have awarded the 1991 European media prize to Irish President Mary Robinson. She will accept the award from Peter Van Wulvenhove, husband of Princess Margriet of The Netherlands, at a ceremony in the Dutch royal palace on April 15.



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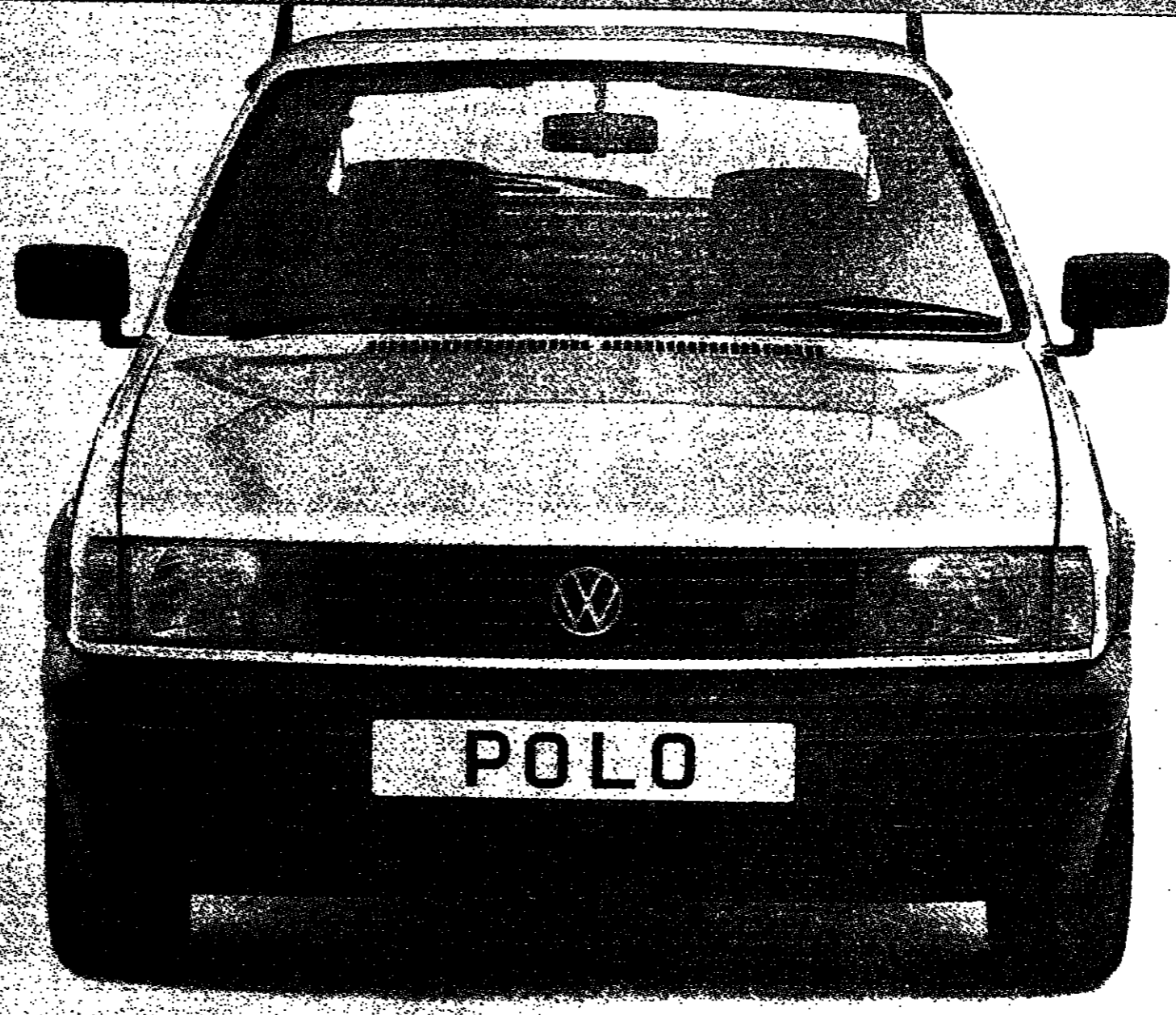
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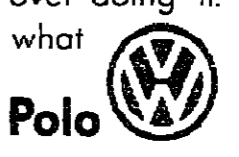


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Fighters rally to flag of ousted leader in Georgia

FROM BRUCE CLARK IN MOSCOW

GEORGIA's military council moved to block Zviad Gamsakhurdia's advance as he mustered his followers in the west of the country for a march on the capital.

The new regime's troops were seeking to confine the activity of the deposed president's men to as small an area as possible around his power base in Zugdidi, the heartland of the Mengrel clan to which Mr Gamsakhurdia belongs. The town, where he proclaimed "civil war" at a mass meeting on Thursday, provided many of the loyal troops who died defending him during the recent fighting in Tbilisi. It is believed to be seething with bitterness over its "martyrdom".

He returned there on Thursday and held a huge rally calling for an armed

march on Tbilisi. As forces loyal to the new Georgian regime massed in the town of Kutaisi, Gia Chanturia, a leading nationalist politician and leader of the National Democratic party, forecast in Moscow that "within a fortnight, the problem of Gamsakhurdia will not exist either in western Georgia or eastern Georgia".

He foresaw bloodshed, but not outright civil war as Mr Gamsakhurdia struggled to reassert control over the republic from which he was forced to flee on January 6, only to make a surprise return 10 days later.

Mr Chanturia, who was freed from jail during the recent fighting in Tbilisi, claimed that a wealthy Georgian émigré was providing money and guns to assist the ousted president's attempt to regain power. "Naturally, we are doing all we can to stop this process," he said.

Georgia's new rulers faced growing problems on two fronts yesterday as local leaders in the South Ossetian ethnic war zone confirmed plans to hold a referendum tomorrow on uniting their region with North Ossetia, which is part of Russia on the other side of the Caucasus.

Tbilisi's military council, which has extended an olive branch to the Ossetian minority and accused Mr Gamsakhurdia of practising "genocide" against it, denounced the plebiscite as an attempt to undermine the peace process it had started. Up to 500 people have been killed over the past year in fighting between Georgians and Ossetians. The fighting has helped to poison relations between Mr Gamsakhurdia's government and Russia.

The commander of Moscow's 500,000-strong army in Transcaucasia, General Valeri Patrikeyev, yesterday denounced the continual violent raids on military barracks that took place when Mr Gamsakhurdia was in power. At yesterday's officers' conference in Moscow, General Patrikeyev reiterated his wish that his command should come under the jurisdiction of President Yeltsin's Russian government.

Asked about the mounting speculation that Eduard Shevardnadze might take over the leadership of his native republic, Mr Chanturia said the former foreign minister was a "very serious politician" who could help resolve Georgian problems, though not necessarily in the role of president.

London: Britain has recognized the republics of Kirghizia and Tajikistan after their acceptance of the European Community guidelines on the recognition of new states in Eastern Europe and the former Soviet Union (David Watts writes). Georgia is the only remaining such state not to be recognised by Britain.

Soviet plea, page 4
Saturday Review, page 10
Yeltsin plea, page 1



Favourite despot stands by

BY BRUCE CLARK

ONLY days ago, the Tbilisi intelligentsia sat down to tables groaning with food and wine in an atmosphere of light-headed joy.

The return of calm to their beloved city, and above all the expulsion of a president accused of creating a climate of philistine repression, suspicion and paranoia, seemed too good to be true. As things turned out, the surprise was from the intelligentsia's point of view, too good to last. Whatever designs are being worked out over the heads of this ancient nation, they do not include anything so simple as a clean, quick victory for its cosmopolitan elite over populist authoritarianism.

As Zviad Gamsakhurdia, the deposed president, gathers forces and regional differences resurface, there is one respect in which the "good times" for which the intelligentsia yearns may come back. The return to Georgia of Eduard Shevardnadze, whose enlightened despotism as local party boss is recalled with fondness in the salons of Tbilisi, looks more likely than at any time since he was first elevated to the Soviet foreign ministry back in 1985.

Prospects for his return do not just hinge on his credentials as a peace-maker. Mr Shevardnadze has suggested that through his contacts he could restore prosperity.



Rock rejoicing: a jubilant Joe Bossano greeting supporters yesterday after being re-elected chief minister of Gibraltar for a second term. He took almost three-quarters of the vote. The result will signal to Britain and Spain that there is little hope of progress on the dispute over sovereignty unless

Madrid is prepared to reconsider its stand (Dominique Searle writes). The issue could lead to confrontation early this year when Anglo-Spanish talks on Gibraltar are due to be signed by December to define the single market's boundaries. Mr Bossano has put two tasks at the top of his agenda. The first is to press Britain to amend

the EC's recognition of Gibraltar's status in the Community, to which the colony gained admittance on Britain's accession. The convention is due to be signed by December to define the single market's boundaries. Mr Bossano has put two tasks at the top of his agenda. The first is to press Britain to amend

the 1969 Gibraltar constitution to make it both less colonial and more in accord with developments in the EC. His second task is to set up a co-operation council with the nearby Spanish port of Algeciras to encourage economic co-operation outside the political constraints of the Brussels agreement.

Serb hostility remains as UN peacekeepers deploy

BY ANNE McELVOY IN KARLOVAC AND OUR FOREIGN STAFF

UNITED Nations peacekeepers embarked on their first deployment in Croatia's war zone yesterday, moving into positions on either side of the front lines.

A convoy of white vehicles flying the UN flag left Zagreb to begin organising liaison between the federal army and independent Croatia in the hope of strengthening the present ceasefire to allow a full UN force to be deployed. Four officers also left Belgrade for the Serbian side of the line and two others are to be stationed in Bosnia. The first group of three officers, accompanied by an

armed police guard, reached Karlovac, the industrial city on the Kupa river, 35 miles south of Zagreb, yesterday afternoon. Earlier they had held consultations with Colonel Imro Agotic, the head of the Croatian forces, who told them: "I hope you have a pleasant stay and that peace will be established soon."

But, in a bitter outburst against "treason at the top of the state and army", a senior Yugoslav army general has promised that his men will not leave Serb-controlled areas inside Croatia. General Andrija Biorovic said that, because politicians were

Sniper kills British journalist in Osijek

BY ANNE McELVOY

A BRITISH photographer was shot dead yesterday in the eastern Croatian town of Osijek.

Paul Jenks, aged 26, who was working for EPA, the Frankfurt-based European press photo agency, was hit in the head by a sniper's bullet on the front line. He reached hospital but died on the operating table in the afternoon. Osijek's crisis centre said. He was the 22nd journalist to be killed covering the conflict in Yugoslavia.

Jenks had entered the trenches on the southern flank of Osijek with Hassan Amini, a freelance British photographer. They had been working in the town for several weeks. The Croatian guards who accompanied them reported that Jenks had been hit by a single bullet fired from the enemy trenches



Jenks: died on the operating table in the Serb-held village of Annunovic, as he stood up to take a photograph. They added that he was shot on the town's southern line of defence in the suburb of Brijuni. Mr Amini is unhurt. European Community observers have also come under fire.

Hitler conquers the best-seller lists across East Europe

FROM ROGER BOYES IN WARSAW

HITLER'S *Mein Kampf*, freshly translated into Slav languages, is a best seller in bookshops and on street markets from Warsaw to Sofia. Thousands of glossy paperback versions of Hitler's master-plan are being sold, mainly to young people, in Eastern Europe.

In Poland the book has overtaken popular fiction as the most sought-after paperback. Three days ago the price was about £2, but yesterday the price had doubled. Even then, a trader in the underpass near Warsaw central station had almost to fight off customers.

Demand for the book may be influenced by growing nationalism in Eastern Europe. Although serious nationalist politicians try to steer of fascism, young skinhead groups are not so fussy. Skinheads in Poland, Czechoslovakia, and Hungary favour Nazi insignia and tattoo swastikas on their arms.

Most purchasers are simply curious about a book that was top of the communist censorship lists. One customer in Warsaw said: "I am going to read it, but I do not think it will make me a Nazi." He bought 28 copies claiming it would soon be banned and its black-market value would rise. A dealer told the Warsaw newspaper *Gazeta Wyborcza*, that he had sold 150 copies in two hours. "I am not ashamed of selling Hitler," he said. "It is business for me."

There may, however, be something more sinister involved. It is strange that the Polish and Bulgarian translations (both from English rather than German) have appeared simultaneously.



Hitler: his words cast spell on new generation

That suggests a degree of co-ordination, and perhaps foreign involvement. The Polish police cannot track down the publisher. Werset, the company whose name is on the cover, seems not to exist. The translators cited inside the book used pen names.

The introduction was written anonymously. The printers carried out the order without checking the identity of the publisher. In Sofia, as in Warsaw, the publishers risk prosecution, so some bookshops are refusing to touch the book. In those cases, *Mein Kampf* is sold from picnic tables set up outside the shop.

The initial Polish print run was 20,000. They reached the bookshops on January 9 and within a day, most had been sold. But more are appearing, unloaded at night and on sale on the street the next morning. In Warsaw, a city wrecked by Hitler, the sale of the book leaves a bitter taste. "Hitler is suddenly everywhere," said a middle-aged woman, "and I thought we had got rid of him."

Austria arrests neo-Nazi group

Vienna: Austrian police said yesterday they had broken up an armed neo-Nazi paramilitary group which was aiming to overthrow the government (Brenda Fowler writes).

Three men, including the group's suspected leader, Hermann Ussner, aged 49, have been arrested on suspicion of violating Austria's laws against Nazi activities. Günther Bögl, president of the Austrian state police, told a press conference. Police had identified 21 members of the group, called Defence Sport Club Trenck, in the past two weeks, after a man was beaten up by skinheads.

Herr Bögl said that no concrete plans had been worked out against the government, but documents seized in searches of group members' houses showed they had connections with American and Canadian groups and had participated in paramilitary training, planning to overthrow the government. The confiscated weapons are said to include sub-machineguns and pipe bombs.

Election call

Athens: Andreas Papanastasiou, the former Socialist prime minister, demanded immediate elections after a court cleared him in a corruption trial. He said the conservative government had won power by deceiving Greek voters. (Reuter)

Treaty scrapped

Helsinki: Finland and Russia are to scrap a 1948 treaty binding the Finns to protect the Soviet Union from attack, and to sign a non-aggression pact. Commentators had seen the treaty as a restriction on Finnish sovereignty and neutrality. (Reuter)

Last post

Frankfurt: The US Army's 3rd Armoured Division was deactivated at its barracks here, ending 50 years' service. The division was raised in Louisiana in 1941 and took part in the Normandy landings in 1944, and the Gulf war last year. (AP)

Breast test

Guelph, Ontario: A woman who strolled bare-breasted to prove women should have the same topless rights as men was fined £37. The judge said anyone who thought male and female breasts were the same was not living in the real world. (Reuter)

Forest help

Tokyo: Japan and the European Community have agreed to co-operate in preserving tropical forests and rebuilding nuclear power plants in Eastern Europe. Laurens Jan Brinkhorst, the EC's director-general for the environment, said. (Reuter)

Synod called

Rome: The pope called a synod of Roman Catholic bishops for the autumn of 1994. The Vatican said the pontiff had chosen as its theme "religious life and its mission in the church and in the world". (Reuter)

Bogus bubbles bring a rum affair in Cuba to court

FROM PHILIP JACOBSON IN PARIS

A BOTTLE of vintage champagne bearing the noble label of Moët et Chandon stands as exhibit 1 in a Paris court where the "Cuban Connection" case is now unfolding.

Is it the real thing, or one of 50,000 or more impostors allegedly slipped on to the world market by an enterprising Frenchman who turned cheap white wine into finest bubbly in a factory in Havana?

According to the prosecution, Jean-Claude Remaury was guilty of a bare-faced swindle that netted him millions of francs at the expense of Moët et Chandon's profits and good name. With M Remaury in the dock, accused of complicity in the affair, is Charley Delmare, fine wine expert and proprietor of the celebrated Maison du Champagne in one of the more select quarters of Paris.

They are alleged to have secured the approval of the Castro regime to set up what amounted to a "parallel" production line, using the most modern equipment to transform a modest blanc de blanc from Anjou into a superficially convincing copy of the Brut

Imperial that sells for about 250 francs (£25) a bottle in the West.

According to yesterday's *Le Figaro*, particular care was taken with forging the labels that went on bottles imported from France-copying Moët et Chandon's technique minutely, they carried a laser-printed reference number, invisible to the naked eye but useful as a mark of "authenticity" in dealing with knowledgeable buyers.

M Remaury is said to have decided to try his hand in Cuba after abandoning a budding career in politics that took him into well placed socialist circles. The deal with Fidel Castro's officials seemed straightforward enough: M Remaury was left alone as long as he stayed out of politics and passed on a share in the profits to the state-owned rum factory where the phoney stuff was to be bottled.

At some stage, a son-in-law of General Manuel Noriega, the deposed dictator of Panama, was enlisted to establish a front company there and later an export office was opened in Geneva. French

customs investigators suspect that many more than 50,000 bottles of the phoney champagne may have been sold before a German customer, puzzled by finding none of Brut Imperial's distinctive qualities in a sample glass, referred his consignment to the local fraud squad.

After an investigation that began in 1989, about 20,000 bottles were seized in Germany and as many again in The Netherlands; the French end of the enquiry was completed when M Remaury changed planes at Roissy-Charles de Gaulle airport. Charged with a variety of offences, he and M Delmare have denied them all and insisted in court that the Cuban operation was intended simply to produce a fizzy blend of white wine and fruit juice.

For its part, Moët et Chandon takes the affair with great seriousness, even if every last fake bottle is now off the market. As Gucci, Chanel, Louis Vuitton and many another great name in the luxury trade has discovered to its cost, counterfeiters are getting better and bolder.

Scandals rock Paris parties

BY PHILIP JACOBSON

THE first of the 1992 crop of French political scandals is upon us, and, as usual, dirty money is at the heart of things. Sparked by a judicial raid on the headquarters of the ruling Socialist party this week by order of an investigating magistrate looking into campaign financing, it has blossomed swiftly into the familiar exchange of accusations and insults across the main party divides.

On all past form, a counter-offensive was to be expected after the raid on the Socialist's HQ. The seasoned political observer would see it in the subsequent swoop by tax authorities on the offices of a publishing company run by the main conservative faction, the RPR party.

Even to a nation notably cynical about the integrity of its elected representatives, this latest round in a long-running saga of *affaires* involving dummy companies, non-existent consultants, and phoney invoices serves to underline once again the corrupting influence of hard cash in French politics.

French villages slide into the red in run-up to the Winter Games

Tiny communities in the Savoy Alps are counting the cost of playing host to Olympic sportsmen. Philip Jacobson reports

imately 100,000 francs per inhabitant. "Come to see our monument to folly?" asked an elderly man outside the *boulangerie*, gesturing at the new casino-cum-town hall, all steel and reflecting glass. "Worth a gold medal on its own, eh?"

For one of the lunch-time drinkers in La Parisienne, it was all the fault of the mayor, Jean-François Chedal. "Outside he kept pressuring him to build this and renew that, it was only when they did the final accounts that the mayor discovered we were in the red."

One French magazine had described the projects undertaken at Brides-les-Bains as "quasi-pharaoniques", he added, almost proudly, but at least the bailiffs could not tear up the fine new pavements laid specially for the games. Half an hour's drive fur-

ther up the winding mountain road, another little commune, Pralognan-la-Vanoise, population 650, is counting the cost of Olympic fever. Eager to host some big crowd-puller like skating or ice hockey, the *maire* dug deep to find the cash for a superb 30-million-franc ice-rink. Alas, Pralognan was allocated cutting, which is not an Olympic event at all.

The recent discovery that Pralognan's Olympic outlay had consumed well over twice its total annual revenue led to a voters' revolt that overthrew the mayor. But even after some desperate refinancing the bankers are closing in.

With problems like this, the last thing the worst affected Savoyard communes needed was their fourth bad season on the trot. Although the French Alps now have snow in abun-

dance—enough to block the region's brand-new motorway for almost 48 hours after the first blizzards arrived—bookings for next month are sharply down on previous years. The prospect of facing Olympic crowds evidently does not appeal.

Down in Albertville, the host city, the Olympic organising committee points out that the overall budget for the games is already more or less balanced, that most of the 13 sites staging events are managing to cope financially. And long after the closing ceremony, they argue, the whole of Savoy will continue to benefit from the massive spending on infrastructure. Besides new roads snaking up into the mountains, the high-speed TGV rail network has been extended and telecommunications greatly improved.

Sceptics remain unconvinced. Bills are still arriving in Grenoble, the last French city to host the winter games, for the extravaganzas there almost a quarter of a century ago.

Wild Bill ambushed by sex pack on campaign trail

AMERICA'S presidential campaign trail yesterday reached the latest of its now familiar seedy sidetracks. Would this week's freshly published stories of the extramarital affairs of "Wild Bill" Clinton, the favourite for the Democratic nomination, change the direction of events or would they, after providing a few days' entertainment, sink back into the disputed obscurity from which they came?

In Washington and New Hampshire, where Governor Clinton is campaigning this weekend, Democrat and Republican strategists carefully studied the latest reports, originating in *Star*, a supermarket magazine, but taken over by several other papers yesterday, that he had allegedly had affairs with at least six women — Elizabeth Ward, a former Miss America, a local beauty queen in Arkansas, a singer, a journalist and two political aides. The reports, based on an Arkansas libel action, claim that Mr Clinton used public funds to entertain his women.

The charges are not new and come from a source known to be hostile to Mr

Since they destroyed Gary Hart, the American media have had some hard lessons, but that provides little comfort for Bill Clinton. Peter Stothard reports from Washington



Making a splash: a front page yesterday

Clinton. But their publication at this critical stage of the campaign could, it was speculated, destroy the leading Democrat for 1992 as decisively as a similar set of incidents in 1988 ended the ambitions of Gary Hart.

So far the mainstream American press has not been able to substantiate the charges and has held back

from republishing the allegations. The *New York Post*, however, headlined the romps of "Wild Bill". Its rival, the *New York Daily News*, said he had been "star-struck" by the tabloid which put him "in [the] beds of beauty queens".

Thus, just in a political campaign itself, does momentum build which will either be maintained or stopped in the days and weeks ahead. Observers here yesterday recalled the strongly circulating rumour in 1988 about George Bush's alleged adultery which, despite several cautious press attempts, and a day on which it knocked 20 points off the stock market, never took off. "The answer to the big 'A' question is 'No,' said his son.

Governor Clinton immediately described this week's articles as trash. His current accuser, Larry Nichols, is described as a former aide whose sacking was caused by his habit of making ex-

cessive phone calls to Nicaraguan Contras. Clinton supporters hope that, unlike Gary Hart, who taunted the press to prove his reputation for womanising and then gave them all the proof they needed by visiting the yacht Monkey Business in the company of Donna Rice, Mr Clinton's tactics would provide better defence.

Since he became the leader of the so-called Democratic "six-pack" of challengers, the Arkansas governor has been the subject of several psychological profiles in the American media. It is suggested that Governor Clinton's troubled childhood, spent peacemaking between his mother and alcoholic stepfather, is the key to his character, explaining both his early development of conciliatory political skills and his personal insecurity.

The candidate himself has not hidden the difficulties which he has experienced in his own marriage to Hillary Rodham, the formidable



Linked names: Elizabeth Ward, left, a former Miss America, who according to *Star*, a magazine sold in supermarkets, was a mistress of Bill Clinton, right

feminist lawyer. After the rumours of affairs last surfaced in September, the couple admitted that their relationship had not been perfect. The Clinton campaign hoped then that their candidate's virtual acceptance of past failings, and his wife's vigorous support of their currently successful marriage, would stem the invading tide.

Since the destruction of Mr Hart, the American me-



dia has been given a number of lessons that may also affect the course of Mr Clinton's political journey. In his much discussed recent book, *Feeding Frenzy*, Larry Sabato set out his thesis of how the trend towards "pack journalism", in which hundreds of journalists daily hunt the same prey, has corrupted campaign coverage.

The *Washington Post* has just completed a big series on Dan Quayle, for example,

which has been interpreted as a virtual admission that the common pursuit of the vice-presidential candidate in 1988 was full of errors passed from journalist to journalist with little sense of accuracy or proportion. Among the charges against Mr Quayle was a never substantiated golf-trip with Paula Parkinson, the flamboyant female lobbyist.

Also from four years ago, Mr Sabato chronicles the

"mental health" charges against Michael Dukakis, in which baseless allegations by an extremist sect eventually became familiar enough from newspaper coverage to be used by Ronald Reagan himself. Although "attack journalism" is almost as old as American politics itself, some of the criticism has stuck. The reaction to the Kennedy rape trial and the Judge Clarence Thomas affair has produced much hand-wringing.

Central to Mr Clinton's future now will be the reaction of *The New York Times*, *The Washington Post* and the main television networks. If any of the more sordid allegations, especially the one which alleges an abortion by a mistress on his personal staff, are proven to be true, he will have a hard time in a national campaign.

Reporters, however, have for a long time been looking for believable witnesses. So far the field contains only one woman, Connie Hamzy, who has described a 1984 encounter with the governor in *Penthouse* magazine. Ms Hamzy's other claims include sleeping with "24 men in one night".

Bush relies on recovery package Tax cuts planned to outflank Democrats

FROM MARTIN FLETCHER IN WASHINGTON

PRESIDENT Bush will unveil shortly what the White House is promoting as a "dramatic" economic recovery plan designed to wrest the initiative from the Democrats and restore his political fortunes.

The plan, to be announced in Mr Bush's State of the Union speech on January 28 and in next day's federal budget, will include new tax breaks for the middle classes, measures to revive the property market and lessen exorbitant health insurance costs, and still deeper cuts in Pentagon spending. His aides are banking on the package to boost consumer confidence, dispel the notion that the millionaire president does not understand middle America's economic distress, and reverse the freefall in his approval ratings. Mr Bush has been under pressure to bring the announcement forward.

A *Washington Post* poll yesterday showed the presi-

dent's popularity had fallen to yet another new low point of just 45 per cent; 78 per cent said that America was "seriously off on the wrong track" with only 19 per cent taking the opposite view.

The recovery plan has been hotly debated in the administration. Conservatives like Jack Kemp, the housing secretary, and Vice-President Dan Quayle argued for radical tax-cutting to stimulate growth. Moderates led by Richard Darman, the White House budget director, and Nicholas Brady, the treasury secretary, favoured more restrained measures that would not undermine money market confidence or be dead on arrival at Capitol Hill.

The moderates appear to have prevailed. One conservative administration official was yesterday quoted as calling the package "anaemic". But the White House evidently intends to sell it hard. Marlin Fitzwater, the presi-

dent's spokesman, said this week that it would be "dramatic" and "really significant". It is expected to give families tax cuts worth up to \$17 billion (\$9.7 billion) overall next year by raising income tax exemptions by either \$500 a person or \$1000 a child. This would give an extra dollar or two per day to most families, but there could be a disproportionate psychological lift and the Democrats could less easily steal the Republicans' tax-cutting clothes.

The administration has reportedly decided to cut an additional \$30 to \$50 billion more from the already shrinking defence budget over the next five years, and Democrats will fight for even deeper cuts. George Mitchell, the Senate majority leader, on Thursday proposed cuts of \$100 billion. Initial savings are likely to be made in procurement but manpower will probably suffer, so revising the Pentagon's present plans to cut manpower by 25 per cent to 1.6 million by 1995.

It is not clear whether Mr Bush will use the 1993 extra defence savings to finance tax cuts or reduce the budget deficit. The former would involve reopening the tortuous 1990 budget agreement with restraints on federal spending. First-time homebuyers are expected to get tax breaks of up to \$5,000 over two years.

The poor will get tax credits and the middle class tax exemptions to lessen the cost of health insurance. Mr Bush will revive his call for a capital gains tax cut.

Michael Howard, page 10
Leading article, page 11
Budget deficit, page 17

Islamic leaders urge calm

FROM REUTERS IN ALGERIA

MUSLIM fundamentalist leaders in a mosque condemned off by security forces, told militants at Friday prayers that Algeria's new rulers had started a crackdown and arrested 500 people.

They appealed for calm and told them to avoid provoking the authorities into moving against them. There has been no official confirmation of the arrests.

Scores of fundamentalists were turned back on the outskirts of the working-class Sunna Mosque area, a bastion of the Islamic Salvation Front (FIS), which made large gains in the first round of a general election which was scrapped last weekend.

Abdelkader Hachani and Abdelkader Moghni, leaders of the Islamic front, urged the few hundred people able to reach the mosque to remain vigilant and avoid all provocation against the new Algerian leadership sworn in on Thursday. "This regime is going to fail," Mr Hachani said in a 30-minute address.

Kamal Agoun, vice-president of the Sunna mosque association, told journalists there had been at least 500 arrests yesterday. Witnesses earlier saw at least five Islamic front militants detained.

Just 24 hours earlier, the head of the five-man high council of state now running the country warned people not to use Islam for self-interest. Muhammad Boudiaf, who returned from 27 years' political exile to take power, said: "The institutions of the state must be respected by all and the state must be one of law."

Soldiers backed by tanks sent in by Sid Ahmed Ghozali, the prime minister, have been guarding key government buildings since President Chadli Benjedid resigned last Saturday.

Shamir is ready for early polls

FROM RICHARD BEESTON IN JERUSALEM

YITZHAK Shamir, the Israeli prime minister, yesterday conceded that early elections now seem inevitable. He also hinted that he would lead his ruling Likud party's campaign for re-election on a platform of peace and security for the Jewish state.

Mr Shamir's right-wing coalition government is expected to lose its majority in the Knesset tomorrow when two junior partners say they will resign in protest at the course of the current Middle East peace process. "There are several options, but it is almost certain that we will have to go to early elections," Mr Shamir said. "In any event, my will is to continue the peace process."

He gave an even stronger hint that electioneering could begin at any moment when he appeared to distance himself from Tehiya and Mofedet, the two extremist parties, and sought to cast himself in the unfamiliar role of peacemaker. "Our government, the Likud government, is completely true to its principles and to the constant effort to achieve peace," he said, defending his policy of granting limited autonomy to Palestinians in the occupied territories. "Therefore, we were not able to show any flexibility towards these groups that decided to leave the government," he added.

Shimon Peres, the opposition Labour party leader, yesterday welcomed the prospect of early elections. Labour's chief election obstacle is that it broadly supports Likud's peace efforts. It is expected to target its campaigning efforts on Mr Shamir's economic record, at a time of record unemployment, high inflation and the government's apparent failure to absorb hundreds of thousands of Soviet Jewish immigrants.

Michael Howard, page 10
Leading article, page 11
Budget deficit, page 17



Kiss of peace: a guerrilla of El Salvador's Farabundo Martí National Liberation Front kissing her baby during celebrations marking the signing of peace accords between the government and guerrillas. Tens of thousands gathered in the capital, San Salvador, after President Cristiani and guerrilla chiefs signed the pact on Thursday ending 12 years of civil war. The

conflict killed more than 75,000 people, wounded twice that number and laid waste much of the nation's infrastructure. Government and guerrilla supporters held separate parties, however. Arena, the government party, was blamed by human rights groups for military-linked death squads which killed 20,000 suspected left-wingers in the early 1980s. (AP)

NEW YORK NOTEBOOK by Charles Bremner

Hell's nannies bring chills and thrills

Thanks to a horror film and a New York murder case, a new villain has leached into the minds of American parents this month: the nanny from hell. With 8.5 million American families now entrusting their offspring to day-time minders, Hollywood has found a new vein of yuppie fiction with *The Hand That Rocks the Cradle*, a tale about an adorable nanny who weasels her way into a Seattle family and sets about its destruction.

This Fatal Attraction for the 1990s, starring Rebecca De Mornay, has just knocked *Hook*, the Peter Pan story remade by Spielberg, from its perch as the top current film. With its portrait of the quintessential 30-something family torn apart by a psychotic Mary Poppins figure, the film has sparked anguish among young middle class parents from Los Angeles to Manhattan, rather as this month's conviction of a nanny has in Britain. Parental fear has now been further sharpened by the prosecution in New York of a sweet au pair girl on the



Scare tactics: horror film gripping the US

charge that she set fire to the three-month-old girl in her care, killing her and burning down the house. Olivia Riner, who is aged 20 from the Swiss town of Wettingen, was indicted this week on four counts of murder and arson in the home of William and Denise Fischer in White Plains, a prosperous suburb. According to the Fischers, Ms Riner was the ideal, loving nanny until the moment the

boyfriend of their older daughter arrived at their house, found it on fire and broke down the locked door to the baby's room. The police said Ms Riner used flammable liquids to start fires in three bedrooms. So far, no one has come up with a motive for Ms Riner's alleged act and the police have backed down from an earlier claim that they had direct evidence against her.

Ms Riner, who is pleading not guilty and is on bail in the custody of her parents in New York, has become the subject of a sympathetic press campaign in Switzerland. She says she had just finished putting cat food in a dish in the laundry room and was walking towards her bedroom when the cat leaped from her bedroom hissing. Miss Riner said her bed was in flames and her bedroom window was open. The police said she called the fire brigade and tried to extinguish the flames.

The nanny panic has elicited hundreds of lesser horror tales in television shows and newspapers across the

country. Common themes are "child-care providers" who leave babies alone in cribs, entertain boyfriends and empty bank accounts. "Short of video-taping the entire time the person is with your child, you never know what is going on," said Debra Kent, an Indiana mother. Under pressure from parents whose children have been abused by babysitters, the California legislature has set up a data bank, called Trustline, which lists all reputable child-minders in the state.

When the people of Manchester looked for a nickname to encapsulate the violence of the Moss Side, they should have spared a thought for the sensitive feelings of 1.3 million New Yorkers. The civic fathers of the borough of the Bronx are hurt that their name has been adopted yet again by some foreign town with a local murder problem.

A business group called Positively Bronx has written to complain to George Chadwick, the lord mayor of Manchester, about the "outrage" felt by the bor-

ough residents on hearing that Moss Side had been dubbed the "Bronx of Britain". "Those headlines hurt," they said. The *New York Post* pointed out that the comparison was hardly valid since Moss Side had suffered three killings in the past year. The toll in the Bronx is more than a murder a day.

Ignorance is said to be the curse of modern American children, but they could hardly be blamed if their own history books tell them that Napoleon won the battle of Waterloo and that America ended the Korean war by dropping the atomic bomb on the North. These assertions were found in new textbooks to be distributed in Texas schools.

The board of education there has taken the unprecedented step of fining five publishers \$240,000 (£137,000) and demanding immediate corrections after an investigation revealed 3,700 errors in their books, which are also destined for high schools across the whole of the United States.

Puppy love causes Cambodia hitch

FROM JAMES PRINGLE IN PHNOM PENH

THE programme to send 350,000 refugees back to Cambodia was facing a new dilemma yesterday because of the way man feels about his best friend.

Most Cambodian refugees seem not too alarmed at the prospect of landmines, bandits, malaria and lack of potable water when they begin returning in April, in a big operation supervised by the United Nations, now that peace of a sort has been restored to Cambodia. But many of the refugees in camps along the Thai-Cambodian border do not want to abandon their pet dogs: possibly 20,000 of the animals. Each family has been told it will be allowed to take only four chickens.

UN posters illustrating the Cambodians' return to their country after 13 years of war show refugees boarding buses with only moveable goods. But there is no sign of pet dogs — mostly mongrels, with names like Pick (Diamond), Ngun (Blackie) and Nissan (after the Japanese car).

"It was an oversight," said one UN official. "We thought they would leave their dogs behind. We were wrong." Unlike some Asians, Cambodians do not eat dog meat. They see canines as pets, and everywhere one looks in refugee camps on the Thai-Cambodian border there are dogs and puppies asleep in baskets or playing with children. One Cambodian said: "They are like members of the family."

The matter is of such moment that Sadako Ogata, the United Nations High Commissioner for Refugees, who is in Cambodia to inspect repatriation preparations, took it up with officials of the Phnom Penh regime, who apparently were sympathetic.

ANC men 'paid for killing of defector'

Johannesburg: An Afrikaans newspaper has claimed that two intelligence officers of the African National Congress paid an Afrikaner extremist £2,000 to murder a former ANC comrade who had defected to the security police (Gavin Bell writes).

The newspaper, *Vry Weekblad*, said yesterday that it had initially facilitated a meeting between the ANC officers and Danie Odendaal, a disaffected member of the Afrikaner resistance movement, to allow Mr Odendaal to divulge details of clandestine arms supplies to right-wing groups. Mr Odendaal told *Vry Weekblad*, however, that his ANC contacts had changed his brief: they wanted him to murder Glory Sidebe, a former ANC member, who had become a police informer. The plot failed.

Ready for trial

Paris: Moussa Koussa, Libya's deputy foreign minister, and a less senior official, Abdullah Senoussi, wanted in connection with the bombing of a French airliner in 1989 which caused 170 deaths, are ready to stand trial in France, a radio report here said. (AP)

Delhi welcome

Delhi: Indian ministers have told Douglas Hurd, the foreign secretary, that their government wants to encourage British investment in India and welcomes next month's visit by businessmen from the Confederation of British Industry. (Reuters)

Activists freed

Havana: Cuba has released two of three human rights activists arrested after a television report linked them to three Miami-based Cuban exiles who were sentenced recently after being found with arms and explosives. (AFP)

Aids award

Melbourne: Victoria's supreme court approved a total payment of £1.5 million to 15 children who caught Aids through infected blood transfusions. The state's compensation for 109 Aids sufferers similarly infected totals £9.8 million. (Reuters)

Outback hunt

Sydney: Forty Asians, possibly Chinese, found wandering in the Australian outback after being shipwrecked on the northwest coast will be charged as illegal immigrants. Searches were continuing for 16 still lost in the region. (Reuters)

American held

Manila: Gunmen have kidnapped Michael Barnes, an American businessman, in Manila and have demanded \$20 million (£11.4 million) for his release. Nobody has claimed responsibility, but right-wing army dissidents are suspected. (Reuters)

Kiss and tell

Singapore: Aids virus carriers in Singapore will face up to two years in jail if they have sex without telling partners of their condition. A new bill in parliament also prescribes similar penalties for people who give blood knowing they carry the virus. (Reuters)

Clifford Longley

The Decade of Evangelism was never going to work

Has there been a big mistake in strategy in the churches of Britain in the 1990s? Have they put too much stress on the possibilities of converting the unconvinced, too much hope into the prospects of church unity? Would they have done better, before reaching outside, to have put their own houses in order first? The next few months may show a growing feeling among church members that the word whose time has come should not be "evangelism" nor "ecumenism" but "renewal" — that deepening the pool of faith should come before widening it.

The churches' Decade of Evangelism is a year old. The 1992 Week of Prayer for Christian Unity starts tomorrow. But it is clear now that neither of these endeavours is going to set the world alight. The Decade has so far achieved little but irritating the Jewish and Muslim communities. The Week will be not much more than a reminder of lost hopes. Yet depressing though these disappointments ought to be, none of the churches will spend next week in mourning. This is because neither the Decade of Evangelism (known to Roman Catholics as the "Decade of Evangelisation") nor the Week of Prayer for Unity has penetrated very far into the collective consciousness of church-goers — or even the consciousness of their pastors. Evangelism, unless it means rallies of the Billy Graham kind, is hardly understood as a concept. The thought of knocking on house doors looking for converts has little appeal. As for ecumenism, it has reached a stage at which it is normal for Christians of different denominations to be polite and warm to each other, but the stage beyond that is as unclear as ever.

It is this attributable to muddled leadership and uncertainties of purpose in every church, and an extreme evangelistic or ecumenical optimism that is near to dishonesty. The purpose of the Decade of Evangelism should have been defined before it began. Instead the idea was seized on with a kind of ecclesiastical "me-tooism" when the Pope mooted some such thing in the mid 1980s. What he meant is still not clear, but it may have had something to do with offering Polish Catholicism to Europe as a role model. When the Lambeth Conference took on the idea for the Anglican Communion in 1988, the motive was different — a patronising attempt to make Anglican Evangelicals feel they mattered, for instance — but not much more realistic.

As a result the Decade is wholly unfocused. To describe it as all things to all men is the polite way of saying it means nothing to anybody. But because it has become ecumenical property, nobody can say so. So the churches have agreed to play "Let's pretend we are all doing something to convert the nation", just as next week they will play "Let's pretend we all want to be united". It is not that nobody believes in converting the nation or being united. In church terms, these are platitudes equivalent to motherhood. But they have no agreed meaning.

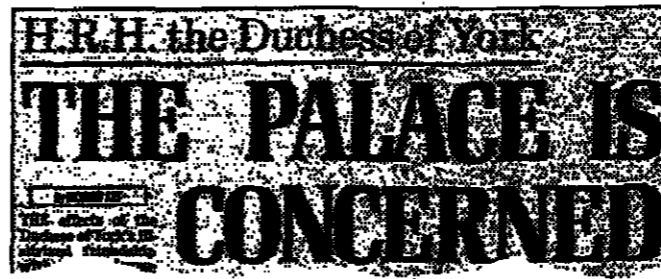
Leaving aside sophisticated theories of evangelism and ecumenism understood only by the elite few, ecumenism still to most Anglicans means persuading people in the other churches to become Anglicans, and to most Roman Catholics persuading people in other churches to become Catholics. This hardly makes for unity. Equally, evangelism to Anglicans means persuading those not in any church to become Anglicans, and so on. The Free Churches are not so different. So the churches are still essentially working with the pre-20th-century competitive model of inter-church relations, though they are not allowed to face the consequences.

Renewal — deepening before widening — has two great merits as an alternative strategy: it can be done honestly, and the aim can be seen in sharp focus. Individually, renewal means nothing other than the imitation of Christ, the pursuit of personal holiness through repentance, prayer and grace. Collectively, renewal means creating and nourishing a Christ-centred community of worship and service. Neither of these models of renewal requires any glances over shoulders to check on how good or popular is the "image" being projected. Each means concentrating on raw religion rather than on the politics of religion. That is what people want.

By analogy with business, this change of strategy equals getting the product right before giving thought to its marketing. If the product were good enough, marketing and merging — the commercial equivalents to evangelism and ecumenism — might well take care of themselves.

Tabloid readers have lapped up a story studiously ignored by the broadsheets, writes Alan Hamilton

Story of two nations



Making a splash: the Daily Mail's front page on Thursday

The best, naturally, came from the lurid *Daily Sport*: "Fergie's Texan playboy pal is the son of a drug-crazed killer, it was revealed last night." Strange how revelations are always made at night, never at lunchtime. Lunchtime is reserved for inventing them.

Whitaker and Harry Arnold, by far the best in this unreal business, could get their hands on the offending pictures. The best any paper could manage was pictures of Mr Wyatt with several entirely different women, and of the furniture in a flat he once rented in Mayfair.

Royal-watching is no new game, and might even be regarded as fair game. The flans of Edward VII when Prince of Wales were much hinted at in the scandal sheets, although they seem to have maintained a conspiracy of silence over his particular peccadillo, which was chasing fire-engines. He would have the captain of the London brigade telegraph him when they had a big fire, and would sneak incognito to the

scene to assist with the hoses. The tone of tabloid royal-watching is different today, with its cheap moralising and two-faced attitude of warning the Queen's family that the public will stand for nothing other than impeccable behaviour from them. The Victorians were far more adept at the art of handling blatant hypocrisy.

The affair of the Duchess and her holiday snaps is important because it is of towering triviality. Her husband may be fourth in line of succession, but his chances of ever being called to duty are exceedingly remote. Even if he were, it is worth remembering that the wayward Edward VII was a much-loved and admired monarch in his brief reign.

By yesterday the brief little firestorm was beginning to fizzle out to make way for "Bush Rival in Sex Storm". Same script, different players.

A 20th-century Waterloo?

Michael Howard wonders if the Gulf war will be seen as a great victory or a military footnote

But what good came of it at last? asked Robert Southey's Little Peterkin after the Battle of Blenheim. Old Kaspar, understandably, could not tell him: it is seldom possible to say what good came out of any war. The success, and indeed the justice, of a war, is to be gauged not so much by the good it has achieved as by the evil it has averted. So it is with the war in the Gulf. Mercifully few soldiers were killed or maimed but every one of them is a private tragedy, especially those killed by "friendly fire". So is each of the scores of thousands, uncounted and probably uncountable, of the Iraqis we slaughtered.

The economy of Kuwait, which we fought to protect, is in ruins, and we have restored one of the most corrupt and undemocratic regimes in the Middle East. As for Iraq, our bombs wrecked an economic infrastructure which had taken fifty years to create. Thousands of Kurds have been driven into miserable exile, and Saddam Hussein seems more securely settled in power than ever. Did our servicemen and women risk or give their lives simply to achieve this?

Alas, all wars end in mess and disillusion. A battle lost, remarked Wellington after Waterloo, is only a shade more tragic than a battle won. The second world war, as near a just and necessary war as modern history can record, ended in the physical devastation of Europe, the exhaustion of Britain, and the surrender of Eastern Europe to a totalitarian oppression only marginally preferable to the regime from which it had been freed. But what would have become of us if that war had not been fought?

We must recall the situation that precipitated the Gulf war. Saddam had been able to build up a potential military hegemony in the Middle East largely through the neglect, if not the active cooperation of the Western powers, in particular the

United States, which was obsessed with the threat posed by the Ayatollah's Iran. Saddam had reasonable economic grievances against Kuwait, and a frontier dispute of long standing. The independent statehood of Kuwait was the creation of a colonialist era, as was that of Iraq itself. Yet given all this, the use of force to annex a peaceful neighbour indicated at the very least that a dangerous predator, of an all too familiar kind, was once more at large on the international scene. Perhaps the West in general, and President Bush in particular, might not have reacted so strongly if Kuwait had produced only broccoli; but if Kuwait had produced broccoli instead of oil, Saddam would hardly have bothered to seize it.

With Kuwait in his possession, Saddam would control 20 per cent of the world's oil resources directly, and by dominating Saudi Arabia and the Gulf Emirates would have been in a position to control very nearly half. He had his thumb on the windpipe of the entire industrial world. Moreover, he was — although we did not know it at the time — close to acquiring nuclear weapons. Like 1914 and 1939, this was one of those very rare occasions when it was in our highest national interest to enforce the obligations of international law.

About this the West was almost unanimous in August 1990. But must these obligations be enforced by war? There were weighty arguments against it, advanced in America by figures as eminent as Senator Sam Nunn and Admiral William Crowe, and in this country by Denis Healey. The casualties would be terrible. The whole of Islam would be inflamed against us. Better to let economic sanctions take their course. For a few weeks I believed the same, until it became clear how skillfully Saddam was exploiting the divisions between his opponents and how indifferent he was to the hardships sanctions



Just warriors: euphoric American marines wave a Kuwaiti flag, as they free Kuwait City

would impose on the Iraqi people. Evidently he believed that time was on his side, and he was probably right. If Kuwait was to be liberated, an ultimatum had to be issued, and if that ultimatum was ignored, it would have to be enforced.

Never can war aims have been so carefully and explicitly crafted. This was not a war either to defend democracy in Kuwait or to introduce it in Iraq. It was not fought to topple Saddam. The object was deliberately limited to the restoration of the sovereignty of Kuwait, the

exaction of compensation from Iraq, and the creation of peace and stability in the Middle East. Many people now wish that the objectives had been extended to cover his overthrow, but this was not the consensus within the coalition. And what were the alternatives to Saddam's regime? Direct rule, with General Schwarzkopf playing the role of General MacArthur? Allied forces remaining to support a docile military or civilian leadership and becoming the targets of Islamic hatred as long as they remained? The

disintegration of Iraq, provoking further conflict among its neighbours? Unsatisfactory as the present situation is it is not obvious that any of these would have been better.

The coalition armed forces did exactly what their political leaders demanded: An implicit clause in their instructions was that they should conduct the campaign with minimal risk to allied lives: it was by no means clear how the American public would react to the reality of the 30,000 casualties that military experts postulated in the worst

eventuality. The prolonged bombardment that preceded the actual land assault in the Gulf had its precedent in the bomber offensive that preceded the Normandy landings in 1944.

This time, however, it was not necessary to destroy entire cities and their populations: technology had at last made possible the highly discriminate bombing that both British and American air-forces had initially hoped to carry out when the second world war began. To talk of "surgical strikes" is still an exaggeration (unless one is thinking of medieval surgery), but there can be no doubt that the overwhelming majority of Iraqi casualties were not civilians but potential combatants.

Critics have complained that allied intelligence tragically over-estimated the effectiveness of the Iraqi armed forces. But the fault was very much on the right side. Weapons may be quantifiable, but morale is not. We made a much worse mistake in our underestimation of the Japanese before 1941. In any event it remains an open question how effectively Iraqi troops might have fought if their command and communications structure had not been destroyed, if their supply system had remained in working order, and if their morale had not been pulverised by weeks of direct and heavy bombing. As it turned out, the land combat was merely a brief mopping-up operation, but it would have been criminal to assume in advance that this would be the case.

Despite the brevity and one-sidedness of the combat, the homecoming troops were greeted in the United States as if they had won a war combining the rigour of the Battle of Guadalcanal with that of the Somme. The demons of Vietnam had been exorcised, and America could stand tall again. But media hype cannot detract from the success of a necessary job performed with great professionalism. The achievement of the coalition forces made it all the less likely that such a job will have to be done again.

Sir Michael Howard is professor of modern history at Yale University.



...and moreover
PHILIP HOWARD

"Whom are you?" said she, for she had been to Benenden. Subjunctive to the last. I would reply: "And whom, madam, might you be?" Humankind cannot bear very much grammar. What we have is drummed into us at an early age, so that our knuckles tingle in a Pavlovian reaction when we spot certain grammatical errors or fetiches.

Concord is a red rag to the bulls of letters to the editor. Concord is the rule that a verb has to be of the same number and person as its subject, an adjective has to be of the same number, case and gender as its noun, and a noun of the same case as that to which it is in apposition. Let us not get too heavy about this. It is Saturday morning.

Concord is one of the things that tend(s) to go wrong with writing and talking as hasty and extemporary as journalism. So we put plural subjects with a single verb, or less commonly, single subjects with a plural verb. And so, as surely as night follows day, we get letters of triumph or complaint from indignant readers.

I have just received a bundle of cuttings from recent issues of *The Times* with errors of concord fiercely marked in yellow felt-tipped pen: "The coolness and calm of the interior IS an elegant and accomplished example..." "Wit and wisdom triumphs (in a headline, for heaven's sake): the dictionary never caught on with the general public as much as its gener-

ous size and scope deserves". Let us see whether we can get a bit of concord into this discord of numbers. The rules are not as simple as they are supposed by prescriptivists to be. Rules never are, except in nursery games. A compound subject consisting of two or more singular nouns or noun phrases, joined by and or linked with commas, normally takes a plural verb. The Waiters and the Carpenter were walking close at hand.

Difficulty arises when a phrase containing "and" represents a single item. It is then followed by a singular verb. The stars and stripes (for hammer and sickle) was flying from the flagpole (it is one flag, not two). Rock 'n' roll is my favourite Saturday pastime. The Fool and Firkin (a single pub) sells good beer. Your whisky and soda (one glass, not two) is on the table. Fish and chips was a healthy diet for the working classes.

Somerset Maugham: "The bread and butter [bread spread with butter] was scattered on the floor." But if these subjects linked by "and" are not thought of as single units, they become plurals. Bread and butter are sold at Mrs Punjani's shop.

It is sometimes not clear whether the subject is a single unit, or a plural. When Henry Kissinger declared: "We're at the beginning of a period in which real negotiation and compromise is possible," presumably he was thinking of negotiation-and-compromise as a single closely bound-up activ-

ity (or else the good doctor simply got his numbers in a twist). I think we could defend, if we could be bothered, some of the "errors" complained of in *The Times* in this way, claiming that the compound subjects were seen as a single unit. The wit-and-wisdom is such a common cliché, in the titles of such slim vols as *The Wit and Wisdom of John Major* (or Neil Kinnock), that it may sound natural to treat the phrase as a composite singular. The generous size-n-scope of a dictionary is a sort of honorary singular. No? Well, I tried.

Certainly, the number of many compound subjects is ambiguous. Law and order has been re-established. Our respect and admiration for her are/is unlimited. Love and marriage is the ambition of all Cartland's vacuous heroines. But love and marriage go together like a horse and carriage, because the meaning of the rhyme forces the two elements into plural harness.

If the two parts of the subject refer to a single individual, use the singular. My friend and libel lawyer Crispin Quick-Buck was present. My son and heir is safe. The singular is also required when "and" introduces something in parenthesis or apposition. Your style, and even your handwriting, is worthy of much improvement. Deep waters, Watson. Like most things, in grammar and elsewhere, it is not the black and white rules that are interesting, but the grey ambiguities in between.

Pickpocket slide rule

IN ONE of the most outrageous election gimmicks of all, the Tory party is to give away one million pocket slide rules, designed to illustrate how much tax payers will lose under a Labour government. The Tories' "secret weapon", which they hope will win them the increasingly bitter tax war, will be unveiled early next week by Norman Lamont and Chris Patten. The slide rule will enable voters to relate their salary to Labour's tax plans and work out exactly how much they are likely to lose.

The device, which will be marketed as the "pocket guide to Labour's pickpocket tax", will be delivered to one million homes in marginal constituencies, mostly in the South-East where higher-paid voters have the most to lose. So convinced are the Tories that the stunt will help them win the election that £70,000 is being spent on the slide rules. Central Office staff have been sworn to strict secrecy over the gimmick. "Not only will we be telling people how much a Labour government will cost them," says a spokesman, "we will be able to demonstrate to the penny the horrendous cost it will have on every family."

Brussels was rightly keen to support Book Aid, the scheme to send thousands of tomes to the former Soviet Union. But in best EC traditions, the Eurocrats could not work out quite how to help. Are books entertainment — in which case there is no budget — or are they education? Conveniently overlooking some of the more down-market titles, Roger Coope of Book Aid supplied a list of the loftier books which are being shipped out. The result: a pledge of 50,000 ecus.



Cook and Duchess

THE death of a devoted family retainer has caused heated feelings in the family of Margaret, the Duchess of Argyll. The Duchess, aged 79, only learnt of the death of Elizabeth Duckworth, her cook and confidante for 62 years, after an obituary in *The Times* last week. She is deeply distressed that she missed the funeral and is blaming her own family.

"It's disgraceful," says the Duchess, who has lived at St George's Nursing Home in Fimleth since financial problems forced an abrupt departure two years ago from her suite at the Grosvenor Hotel. "My children did not even tell me that she had died. We should all have been at her funeral after her devoted service."

In fact, it seems the Duchess of Argyll's children, Frances, Duchess of Rutland, and Brian Sweeney, were also unaware of the death of the servant who had virtually brought them up. Barbara Green, Mrs Duckworth's sister-in-law, says: "I didn't contact them when she died. I didn't see any point. There has been complete silence from the family ever since the Duchess left the Grosvenor". There had also been a modest £50 a month pension form her old employer which ceased when the

Duchess's finances collapsed. As a result the former family servant spent the last two years of her life on social security, although the author, Michael Thornton, took up Mrs Duckworth's plight.

"I informed the family of her financial difficulties but only Charles Sweeney, the Duchess's first husband, sent £100. No one went to see Mrs Duckworth when I told them she was desperately ill."

But Margaret Argyll says: she will never forget the woman she had known for over 60 years. "She was my truest friend since I was a girl. I shall miss her dreadfully."

Red fingers

WHETHER a thousand flowers will bloom in Slovenia remains to be seen but at least one new blossom is bursting forth. Will McLewin, a mathematician turned botanist, has returned from Slovenia with what he believes to be a previously unknown species.

McLewin visits Yugoslavia twice a year to research rare species and was understandably excited when

a friend put him on the trail of a *Hebeboris niger*, the Christmas rose, in a previously unknown shade of red. Braving freak blizzards and army vehicles, he eventually located the plant at a lake at Bohin in East Slovenia. McLewin is now cultivating several of the plants in his nursery.

If Zlata Gamsakhurdia's return to Georgia goes wrong, will academics at Queen Mary College, London, come to his rescue? The college's Russian department has a close affinity with the ousted leader. In 1977, when as a Georgian dissident he faced arrest by the KGB, the college dreamed up an unsuccessful plot to get him out of the Soviet Union by inviting him to deliver a series of lectures in England. Undeterred, the university proposed Gamsakhurdia as its external examiner on a thesis on Ukrainian and Georgian relations. The idea was vetoed by the student on the grounds that Gamsakhurdia had once assaulted her.

Long way to Piccadilly

THE Royal Academy's Mantegna exhibition which opened yesterday has some surprising gaps. While paintings have been shipped to Piccadilly from all over the world, the National Gallery, only a few hundred yards away in Trafalgar Square, was less than cooperative.

Only one of the National's five Mantegnas has made the journey — and that will not be travelling on to the showing at the Met in New York, either.

Officially the RA is very understanding. "Obviously the National Gallery does not want blank spaces. Some of the pieces are panel paintings and very fragile." Indeed, but so are some of the other paintings which have travelled half-way around the world.





REAPPRAISING THE GULF

The Gulf war is not yet history. It is too soon to reflect in tranquillity the 40 days of fighting. The results have turned out to be less complete and clearer than appeared at the time. So the avalanche of comment on yesterday's first anniversary of the outbreak of the war has been marked less by self-congratulatory commemorations of a highly successful military operation than by anxious reappraisal of a continuing policy dilemma for America and its allies.

The inevitable reaction to the initial one-sided presentation of the victory as a relatively costless demonstration of Western military superiority should not go too far the other way. Redressing the balance does not alter the crucial point that the American-led action was, and remains, fully justified. It was right to reverse President Saddam Hussein's invasion of Kuwait. A broad coalition was assembled against Iraq, the United Nations Security Council was activated after 40 years of Cold War torpor and the liberation of Kuwait was achieved swiftly through a skillfully executed military operation. The aims of successive UN resolutions were largely achieved. Nearly a year later, Kuwait remains liberated and, its being rebuilt, and the West is assured of plentiful and relatively cheap oil from Saudi Arabia and the rest of the Gulf.

The formal mission set by President Bush was accomplished. The balance sheet looks more mixed in respect of America's less explicit goals. The energy and drive of James Baker, the American secretary of state, has forced Israelis and Arabs to the same negotiating table but not yet to any real change in attitudes. Freed from an immediate Iraqi threat, the Gulf states have also shown little willingness to embrace political change.

Mr Bush's often repeated talk of a "new world order" has not yet materialised. The international coalition organised against Iraq has been less a precedent for further co-operation against threats to peace than a response to a particular threat. The disintegration of the Soviet Union has removed a possible partner in such efforts, while the American public have shown little interest in their country's role as global policeman.

PARADOX OF INFLATION

Yesterday's rise in retail price inflation, sometimes a figure of transcendental political significance, was greeted by politicians of all parties with uncharacteristic reticence. The Tory backbenchers did not panic. Norman Lamont did not reach for his excuse book. The strongest denunciatory adjective that came to John Smith's lips for Labour was "disappointing".

At first blush, this is surprising. These are not, in conventional terms, good figures. Inflation is now running at 4.5 per cent compared with a low of 3.7 per cent in November. British prices are rising faster than those in our major competitors in Europe (Germany, France) and outside (the US and Japan). Moreover, the retail price index has been artificially depressed by the steady fall in mortgage rates: underlying "core" inflation is a couple of points higher than the headline total. The prime minister claimed in September that the government had "got inflation licked". It is proving an incautious claim for a cautious politician.

At past elections, it might have proved a fatal one. In 1964, the general election with which 1992 is commonly compared, the pollsters found that 77 per cent of those polled rated "the cost of living" as the most important issue facing Britain. (Inflation was then running at 2.4 per cent.) More recently, the political message of the early 1980s was that the government could survive high unemployment, so long as inflation was coming down. Unemployment was something that happened to manual workers up north. It left Tory voters unaffected. But inflation did hurt them and they wanted an end to it. Hence Margaret Thatcher's success.

Times have changed. Unemployment is now felt by southern, white-collar, Tories. Inflation is less of a threat. Indeed — whisper it who dares — it is a bit of inflation that gradually makes a mighty mortgage afford-

The main blemish on the Gulf victory has been the continuation in power of Saddam, as the Iraqi propaganda machine has crudely reminded everyone this week. American troops tried to kill him during the war and Mr Bush encouraged Iraqi officers and dissidents to oust him. The American president raised hopes which he was unwilling and unable to fulfil, partly triggering the bloody and fruitless Shia revolt in March.

But Saddam's military and internal security machine, though battered, remains intact. For the moment the Kurds in the north retain their independence; though, apart from scant humanitarian help, they have been largely cast off by the West. Mr Bush and his senior advisers may go on saying they expect Saddam to fall before long, but there is no real evidence that this is about to happen. The advice from the Pentagon is clearly against direct action in support of an internal revolt; and Washington is reluctant to provide indirect aid to rebel groups as it did in Angola and Afghanistan.

But caution does not imply impotence. Continued UN economic sanctions have largely isolated Iraq and brought at least some stability to the region. Moreover, the much tried and tested UN inspectors have succeeded in finding and destroying much of Iraq's vast nuclear, chemical and biological unconventional weapons programme. The best that America and its allies, notably Britain and France, can do is to maintain their support of the inspectors, and to threaten air strikes against military strikes if the Baghdad regime again obstructs their work. The allies can also seek to prevent Iraq from acquiring nuclear materials and expertise from the former Soviet Union.

By seeking to change the internal politics of Iraq when neither American nor international opinion is willing to take the necessary military action, however, Washington risks doing more harm than good. Above all what America and its allies must aim to do is to stop Saddam being in a position to threaten his neighbours. Continued success in that, undramatic though it may be, will prove the ultimate justification for the Gulf war.

able. It is inflation that will lift off grounded house prices. In a credit-addicted society, those who gain from seeing what they owe eroded may even outweigh those who lose from seeing their savings reduced. So long as your earnings rise faster than prices, moderate inflation can do you good.

Inflation is therefore a non-issue. According to Mori, it is rated among the top two issues facing Britain today by fewer than one voter in ten. Nor would Labour be sensible to try to make it an issue. The polls also show that people trust the Tories more over inflation, just as they trust Labour more over unemployment. The more inflation becomes the election issue, the better the Tories are likely to do. Hence Mr Smith's low key.

Should it be an issue? If the main parties had different views on the subject, then their reticence would be deplorable. The electorate would be deprived of the debate essential to its democratic decision by narrow partisan calculation. Just such a debate, in one form or another, was the centrepiece of election campaigns in the Seventies and Eighties with first incomes policies then monetarism at the centre of the gap between the parties.

It is so no longer. Both parties officially eschew an incomes policy. They compete in their restraint over borrowing. They favour Britain's membership of the exchange-rate mechanism of the European monetary system, which forces governments to adhere to anti-inflationary disciplines. Labour no longer wants rigid price controls. The Tories no longer advocate rigid monetary controls. On inflation at least, consensus rules.

The economic forecasters tend to agree on what is likely to happen to prices in the next couple of years: they are most likely to increase, at or slightly below, the present rate. The economy could live with that. So could the people. On this issue at least, the parties can safely forgo electoral *Sturm und Drang*.

HIGH ON THE HILL

The burghers of Hampstead have lost another battle in their war against the burgers of America. McDonald's, which has been trying to set up shop in the north London literary enclave for more than a decade, has at last won a site with planning permission for a restaurant. Chicken McNuggets might indeed look out of place on the pages of a Margaret Drabble novel. But is the writer — and many other protesting residents like her — right to foist her taste on everyone else in the village?

"Hampstead socialist" has become a common derogatory epithet for such locals as Melvyn Bragg, Tom Conti and Miss Drabble herself. The sneer implies hypocrisy: how can they be socialists if they live in such a smart part of London? But this is pure inverted snobbery; in other countries there is no contradiction between being left-wing and leading a comfortable, even wealthy, life. But the battle of McDonald's does smell more strongly of hypocrisy than of ketchup.

The protests against McDonald's are part of a larger ennui. Hampstead has changed over the past ten years or so. New Hampstead is peopled by bankers, film foreigners, pop stars and property tycoons as much as by novelists, actors and publishers. The High Street, which used to house little family shops, is now full of expensive boutiques and restaurants. At weekends, flashy youngsters from the outer suburbs pack the streets where little old emigrant Austrians ladies in fur coats used to potter before having coffee and cakes at the Louis patisserie.

Both the youngsters and the shop assis-

ants need somewhere cheap to eat. McDonald's would doubtless fit the bill. The worst argument being marshalled against it is that there are already too many restaurants in the area. If so, why is McDonald's so keen to move in? What the battling residents really mean is that they think McDonald's is uniquely naff. Yet what right have they to deprive others, less well-off than themselves, of the right to cheap and cheerful food?

Like the residents of Aspen, Colorado, the Hampstead set is furious that other people, whether they be *nouveaux riches* residents or Sunday trippers, have discovered the delights of their hilltop village. Having moved in decades ago, old Hampsteaders want to keep its joys to themselves. But among the complaints about the replacement of grocer's shops by designer labels, none has been heard about the steep rise in house prices that followed the discovery of Hampstead by the newcomers. Some longtime residents, in their splendid Georgian and early Victorian houses, have been turned into millionaires by the very people they despise.

McDonald's now needs to win planning permission for its frontage, and Hampstead holds some of the most beautiful architecture in the capital. The local council should be scrupulous in ensuring that, as in other historic towns, McDonald's is prepared to design a fascia to blend in with its surroundings. But permission should not be withheld on any but aesthetic grounds. For what old Hampsteaders really want is to keep out the hot polloi. And that is a most unsocialist way to behave.

Right of silence at Westminster

From Mr John Browne, MP for Winchester (Conservative)

Sir, I endorse Lord St John of Fawley's contention (article, January 15) that there is no right to silence before Parliament. However, under the common law of England there is such a right in court.

The key question before the Commons social security select committee, of which I am a member, was whether Parliament should exercise its awesome sovereign power to force anyone, in this case the Maxwells, to answer questions that may, even unintentionally, lead them to incriminate themselves.

With the possible exception of the Committee on Privileges, select committees are entrusted by Parliament not to judge cases but to conduct public scrutiny.

On Monday we witnessed a select committee attempting to conduct itself as a public tribunal before the probable hearing of a case in a high court of law. This surely must have been wrong on two grounds.

First, it would have abused the established human right to silence — an abuse which, whilst sometimes popular, would have been a major step in dismantling one of our hard-fought barriers against tyranny.

Secondly, it could have placed in serious jeopardy any case brought subsequently by the Serious Fraud Office. Any incriminating answers, or even innuendo and comment on the part of questioners, could have resulted in a trial by media, influencing the open mind of almost every potential juror. That might have placed a future judge under an obligation to dismiss any case brought against the Maxwell brothers.

I hope the House, in its wisdom, will let this matter lie in the hands of a fine and experienced judiciary. Meanwhile, Parliament should use its great influence upon the government in order to bring international political pressure to bear upon the trading and return of the pension holders' funds.

Yours faithfully,
JOHN BROWNE,
House of Commons,
January 15.

From Mr Charles Utley

Sir, Lord St John of Fawley is surely wrong to urge the House of Commons to declare that witnesses called by select committees should not be allowed to rely on the common law privilege against self-incrimination.

The House of Commons is not subject, in regulating its affairs, to interference from the courts: it is for the House itself to decide whether its powers of interrogation should be limited to protect subjects. There appears to be no precedent for a claim by a subject to be allowed to invoke, before a committee of the House, the privilege against self-incrimination. It does not follow, however, that it would be a great constitutional disaster if the House chose to limit its powers in the interests of the people it serves.

I remain, Sir, your obedient servant,
CHARLES UTLEY,
5 Essex Court, Temple, EC4.
January 15.

From Mr J. Stefan Sierzant

Sir, With great respect to Mr George Carman, QC, the right to silence is not "constitutionally paramount" (report, January 14). If it were so, Parliament would not have enacted sections 432-434 of the Companies Act 1985, or sections 218-219 of the Insolvency Act 1986, or sections 177-178 of the Financial Services Act.

Each of these sections places a statutory requirement upon the person being questioned to make replies, without providing any protection to stop such replies being used as evidence for a criminal prosecution. Indeed, section 434(5) of the Companies Act specifically permits such use.

Parliament enacted all these measures. It is well able to deal with the position in which its social security select committee now finds itself.

Yours sincerely,
J. STEFAN SIERZANT,
J. S. Sierzant & Co (solicitors),
81 Bolton Street,
Chorley, Lancashire,
January 14.

From Mr Edward Strouts

Sir, Stephen Gilchrist's article on the right to silence (Law Times, January 14) is hard to follow. Indeed, justice should not be a game. The accused knows if he is guilty. A rule that gives him the right to silence makes justice a game and a very profitable one for some and very expensive for others, especially the taxpayer.

Someone who stands to lose their pension should be entitled to some answers from those with the facts, accused or not. The freedom to lie is another matter and its exercise another crime. And if you lie to Parliament, my goodness how awful and won't they be cross!

Yours faithfully,
EDWARD STROUTS,
Hillcroft, Lympstone,
Exmouth, Devon,
January 14.

Weekend Money letters, page 28

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (071) 782 5046.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 071-782 5000

Ulster: internment or more troops?

From Mr Norman Pearson

Sir, "During the Christmas holiday", writes Mr Edward Gorman ("How to stop the IRA", January 11), "the IRA terrorised people up and down the mainland with a fire-bombing campaign". I suggest the British people are not easily terrorised. Some may be frightened; but the vast majority are enraged at the disruption of every-day life.

Quoting some pessimistic comments attributed to the General Officer Commanding, Mr Gorman goes on to criticise the ineffectual policy of the British government. This includes the constant reshuffling of troops. But although we are at war with a resourceful and cunning enemy, Mr Gorman opposes internment, which he says would be counter-productive.

On the contrary, as Dr Conor Cruise O'Brien suggested (article, December 18), the time has surely come for the politicians to stop their talking and instead to intern all known malefactors. The upper echelons of the IRA number, we are told, about 300. That should be no great task. All are known. Cut off the IRA's head and it is defeated. I suggest no vast supervision thereafter would be needed. Let us disregard the shouts of disapproval from Mr Haughey, whose views we know, and the roars of disapproval from New York, Brussels and elsewhere.

The last internment policy was badly handled. Let this be better, so that the people of Ulster can once again enjoy a normal life, the taxpayers save enormous sums and our troops have a job worthy of them. And the British people, with an election in sight, may even pause from their bread and circuses to enjoy the unusual feeling of a strong hand on the helm.

Yours faithfully,
NORMAN PEARSON,
Brook House, Norton,
Malmesbury, Wiltshire,
January 13.

Values afloat

From Mr D. O. E. Batten

Sir, On January 8 an article by Mr Nicholas Ridley advocated the benefits of a fully floating exchange rate.

On January 14 two letters to *The Times* appeared side by side in response. One said "sterling must be allowed to float... so that the currency finds its true level on a gradual and ordered basis". The other said "if any government were to rely entirely on free market forces then the whole economy would just gradually run down". In two sentences the philosophical contrast between *laissez-faire* and centralised control was laid out for all to see.

Aid for North-West

From Mr Adrian Webb

Sir, As one of the co-organisers of the conference at Manchester airport on December 4 entitled "North West 2010 — The Need to Plan" at which John Smith, the shadow Chancellor, first committed himself to the concept of a North-West development agency, the Town and Country Planning Association obviously welcomes the report by Philip Webster (January 14) that Mr Smith, together with Gordon Brown and Tony Blair, have confirmed their commitment to the regional approach. The association is, however,

From Sir Philip Goodhart, MP for Beckenham (Conservative)

Sir, In response to the latest series of IRA attacks, the security forces have put more road blocks around Belfast. While your correspondent, Edward Gorman, says that the strength of the army in Northern Ireland should be substantially increased, some Unionist spokesmen have also called for the introduction of selective internment.

Perhaps the road blocks have deterred some bomb carriers, but road blocks inevitably increase the disruption of traffic that the IRA itself wants to achieve.

Perhaps the increase in the size of the British military presence which Edward Gorman wants might put more pressure on some terrorists, but there is not much evidence to support the argument that ordinary patrols stop urban terrorism and this policy would add to the problem of overstretch in the army.

Meanwhile, there is little support from the main political parties for selective internment, which is widely believed to be counter-productive.

A rejection of internment need not mean that the supporters of terrorism should be left undisturbed. When a substantial bombing campaign is mounted against the general public, the Royal Ulster Constabulary, and other police forces, have a right and a duty to interrogate — say at inconvenient times — people who might have valuable information about these outrages.

Furthermore, a large number of convicted terrorists in Northern Ireland, freed on parole after serving half their sentence, might be required to report daily to police stations while the bombing campaign continues.

Yours faithfully,
PHILIP GOODHART,
(Under secretary of state,
Northern Ireland, 1979-81),
House of Commons,
January 15.

Values, in the form of exchange rates and the purchasing power of money, tend to find their own level like water, and if allowed to do so unimpeded there is little disruption to everyday life. But values, like water, can be constrained artificially by economic dams and we all know that the breaching of a dam can cause great chaos.

Nothing can be sustained against neutral forces for ever and perhaps, therefore, the option of continual gradual adjustment is preferable to any of the alternatives.

Yours faithfully,
D. O. E. BATTEN,
Christmas Cottage,
Ridlington, Oakham, Rutland.

very concerned at the essential weakness of present Labour party policy. As I said at the conference, regional strategic planning must be in the hands of elected regional councils. Agencies and local-authority consultative arrangements are at best interim measures, not least when a number of the local authorities concerned may well disappear in the present government's proposed reorganisation of local government.

Yours faithfully,
ADRIAN WEBB (Deputy Director),
Town and Country
Planning Association,
17 Carlton House Terrace, SW1.

Role of Opus Dei

From the Postulator General of Opus Dei

Sir, Your leader, "Non nobis Opus Dei" (January 13), is unfair and misleading both about Opus Dei and the circumstances relating to its founder's beatification.

Since its foundation in 1928, Opus Dei's message has been of the dignity of lay people within the Church and of the need for the great majority of Catholics to lead their Christian lives fully immersed in the world.

This emphasis on a lay spirituality was, paradoxically perhaps in view of some modern criticism, the cause of misunderstanding and opposition from some members of the establishment in Spain in the 1940s. But it has since been recognised, by many of the most authoritative leaders in the Church, as of the utmost importance to the life of the Church in the modern world: indeed, it is a

central message which came from the Second Vatican Council.

The forthcoming beatification of Opus Dei's founder, the Venerable Josemaria Escriva, cannot be interpreted politically as a sign of Opus Dei's influence on the Holy See. Applying the logic of politics to the ecclesial act reveals a misunderstanding of the nature of the act itself.

The acknowledgment of the sanctity of life of a man signifies that he belongs to the spiritual tradition that precedes him. There is nothing more foreign to the reality of Opus Dei than a sectarian spirit: Christian fraternity belongs to the very essence of the founder's teaching.

You give a misleading account of the background to the forthcoming beatification. Although the progress of the cause has been swift, this is principally because the case was remarkably clear, in 11,000 pages of evidence, including all the objections against the cause.

Commonwealth library's future

From Dr Charles Armour

Sir, The closure and imminent sale of the Royal Commonwealth Society's library have highlighted a serious gap in procedures to save national cultural treasures. In this case a unique and remarkable library, relevant to all members of the Commonwealth.

For art treasures a combination of private and government funding can be invoked to prevent masterpieces being sold to overseas buyers. There is no such recognised procedure to safeguard specialised libraries held by charitable trusts.

It would seem very appropriate that this library, whose value has been endorsed in recent months by numerous scholars in letters to the national press, not least in your own columns (December 17, 24), should be re-endowed by benefaction as the Queen Elizabeth Commonwealth Library, on the understanding that the government will make one substantial donation to fund the necessary running costs as a working library.

Such action, from private benefactor and public purse, would very appropriately mark the 40 years that Her Majesty the Queen will soon have been head of the Commonwealth, to which her commitment has been demonstrably impeccable.

I have no doubt the Royal African Society would want to continue its annual donation to this reconstituted library, as it has done in the past to its much appreciated predecessor over many years.

Yours faithfully,
CHARLES ARMOUR
(Honorary Treasurer),
The Royal African Society,
School of Oriental and
African Studies,
Thornhurst Street, WC1.

Straight from the Bard

From Lady Hylton

Sir, The interesting reference in your leader of January 11 to Felicity Horatio's illiterate friend, may be taken further. Ever since the admirable Katharine Whitehorn pointed to Queen Gertrude's oddly-named dogs (Ghosts: "But look, Amazement on thy mother's side: O step between her and her fighting soul") directors of *Hamlet* have fought shy of a closet scene carpeted with a frothing maelstrom of dumb chums. May we now try to clear up the mystery of the bit-player, stooge or stage-hand, Patrick or Patricia?

Pat is at the Prince's elbow in Horatio's absence (*Hamlet*: "Now might I do it, Pat, now he is praying"). In *King Lear* he shadows Edmund the Bastard (Edmund: "Pat he comes, like the catastrophe") and in *A Midsummer Night's Dream* he may be found in the company of Quince ("Pat, Pat: and here's a marvellous convenient place for our rehearsal").

Another appearance, in the same play (*Pyramus*: "It will fall, Pat, as I told you"), may indicate inefficiency; and he can also be unpunctual (*Old lady*: "Nor could come Pat betwixt too early or too late for any suit of pounds", *Henry VIII*).

Who is it that can inform me? (*Hamlet*).

Yours faithfully,
J. HYLTON,
Ammerdown House,
Radstock, Bath, Somerset.

Moreover, it is quite wrong to suggest that there was special influence in the Vatican. In fact, the cause of Mgr Escriva was supported by the widest range of senior church figures of many nationalities, including, for example, Cardinal König of Austria, Cardinal Sin of the Philippines, and the late Archbishop Romero of El Salvador.

Finally, in the light of the erroneous remarks made about Mgr Escriva's alleged Nazi sympathies (report, January 13), it may be of interest to your readers to learn that all the witnesses of the process explicitly denied such sympathies and confirmed Mgr Escriva's deep love for the Jews. That is why there are today a good number of Jews who are co-operators and friends of Opus Dei.

Sincerely yours,
FLAVIO CAPUCCI,
Postulator General, Opus Dei,
Viale Bruno Buozzi 75,
00197 Rome.

is only struggling to survive in the environment that is left to it.

On this property we maintain a feeding programme which tries to compensate for the deprivation caused to wild life. We feed birds and squirrels daily with a variety of nuts and seeds. The result is that we have at least 24 breeds of bird visiting our garden.

Yours faithfully,
THERESA STANBRIDGE,
30 Goodby Road,
Moseley, Birmingham 13,
January 12.

From Colonel J. L. Galloway

Sir, It seems a bit hard of Mr Edmonds to destroy 22 beautiful magpies because they reduce his songbirds, which are also carnivores. With a long-playing cassette and a concealed garden speaker he could enjoy hours of varied birdsong.

Yours faithfully,
J. L. GALLOWAY,
Hill Cross, Haults Shute,
Freshwater, Isle of Wight.

Killer magpies

From Lord Martin Fitzalan Howard

Sir, I support Mr R. E. H. Edmonds (letter, January 9) on the effectiveness of magpie traps and the consequent increase in smaller bird life. During the 1991 nesting season we have caught 61 magpies by use of the trap, which is simple to make. Food and water must be provided for the decaying and checked every day.

Occasionally a magpie when magpies have been caught in the trap, including two well-grown fox cubs at a fortnight's interval in my nephew's similar trap, which were released in the morning.

Yours faithfully,
M. FITZALAN HOWARD,
Carlton Towers,
Goole, Humberside,
January 10.

From Mr T. J. Godfrey

Sir, So Mr Edmonds has taken upon himself the onerous task of deciding which wild creatures should survive and prosper in his locality.

There is every possibility that the increase of blackbirds and thrushes singing in Mr Edmonds's garden last summer had absolutely nothing at all to do with his destruction of 22 magpies earlier that spring. These songsters would have been adult males which had presumably survived being eaten as nestlings by magpies (or by cats, stoats, weasels, sparrowhawks, etc.) in the previous year(s).

It seems to me that Mr Edmonds's songbirds are doing very well without his meddling.

Yours faithfully,
T. GODFREY,
7 Lynton Lane,
Cassington, Oxford,
January 9.

From Mrs Theresa Stanbridge

Sir, Man continues to deprive wild creatures of more and more of their natural habitat and to interfere chemically with their food sources. Consequently the magpie is blamed for excess damage and theft while it



YORK HOUSE
ST JAMES'S PALACE
January 17: The Duke and Duchess of Kent were represented by Mr John Major at a Service of Thanksgiving for the Life of Mr Roderick Ralli which was held at All Saints Church, Stanhoe, Norfolk, this afternoon.

Verney, landowner, 77; Sir Clive Whitmore, civil servant, 57.
TOMORROW: the Right Rev S.F. Allison, former Bishop of Winchester, 85; Miss Tina Bawden, novelist, 67; Sir Alfred Bell, former M.P., 69; the Earl of Carnarvon, 68; Judge Sir Jonathan Clarke, 62; Sir Michael Crawford, actor and singer, 50; Mr Bernard Dunstan, painter, 72; Mr Stefan Edberg, tennis player, 26; Mr Phil Eversly, singer, 53; Mr Richard Francis, racehorse trainer, 46; Lord

Glentworth, 80; Mr W.K. Goldsmith, company director, 54; Mr William Hiles, chairman, Jaguar, 63; Miss Patricia Highsmith, writer, 71; Mr Hans Horner, bass baritone, 83; Sir Alex Jarrat, former chairman, Smalls advertising agency, 79; Mr John Taylor, film director, 60; Brigadier Helen Meechie, former director, WRAC, 54; Mr David Newbigging, chairman, Rentokil Group, 58; Mr Nigel Nicolson, ambassador, 80.

Mr Robert Palmer, singer, 43; Miss Dolly Parton, country music singer and actress, 46; Señor Javier Perez de Cuellar, former secretary-general, 50; Mr Simon Rattle, conductor, 37; the Duke of St Albans, 53; Sir John Stanley, M.P., 50; Mr Keith Topper, senior master, Queen's Bench Division of the Court of Wymond and Rattle, 80.

Reception

HM Government
Lord James Douglas-Hamilton, Minister responsible for the Arts in Scotland, was host last night at a reception given by Her Majesty's Government in Edinburgh Castle for Business Sponsorship Incentive Scheme award winners.

Service dinners

Britannia Royal Naval College
Former officers of Drake Division, Britannia Royal Naval College, Dartmouth, May 1955, attended a reunion dinner last night at HMS Drake. Captain D.G. Wixon presided.

The Royal Hampshire Regiment
The Lord Lieutenant of Hampshire, Lieutenant-Colonel Sir James Scott, attended a dinner given by officers of The Royal Hampshire Regiment last

Peter Searle

A service of thanksgiving for the life and work of Peter Searle, 1941-1991, will be held at St Martin-in-the-Fields, Trafalgar Square, on Tuesday, January 28, 1992, at 3.30pm. All who knew Peter are welcome to the Service and afterwards to tea at Commonwealth House, Northumberland Avenue.

g marriages

Mr A.J. Rapley
and **Miss A.P. Gleave**
The engagement is announced between Alastair, only son of Mr and Mrs E.J. Rapley, of Beyton, Suffolk, and Alexandra, only daughter of Mr and Mrs A.J. Gleave, of Southam, Gloucestershire.

Mr M.J. Swinley
and **Miss E.T.M. McDonald**
The engagement is announced between Martin, younger son of *Commander* and *Mrs J.G.B. Swinley*, of Southwold, Suffolk, and Elizabeth, third daughter of Mr and Mrs K.P. McDonald, of Palmerstown, Dublin.

Mr A.P. Trower
and Miss S.L. Jones
The engagement is announced between Andrew, son of Mr and Mrs Peter Trower, of Cobham, Surrey, and Sarah, daughter of Mrs Annabelle Jones, of Esher, Surrey, and Mr Kenneth Jones, of Rugeley, Staffordshire.

Mr A. Walford
and Miss G.A. Rollo
The engagement is announced between Adam, younger son of Mr and Mrs T.G. Walford, of Highgate, London, and Gail, daughter of Mr and Mrs I.W. Rollo, of Ampney St Peter, Gloucestershire.

Mr R.S. Willbourn

and Miss C.V. Gay
The engagement is announced between Roger, second son of Dr and Mrs A.H. Willbourn, of Aston, Hertfordshire, and Caroline, elder daughter of Mr and Mrs Keith Gay, of Berkhamsted, Hertfordshire.

Mr W.H. Woodhouse
and Miss E.P. Romer

The engagement is announced between William, youngest son of Mr and Mrs James Woodhouse, of Lancing College, Sussex, and Eugénie, younger daughter of Mr Mark Romer, of Clavering, Essex, and Mrs Philippa Romer, of Braughing, Hertfordshire.

CURT BOIS

and stylish delivery he moved easily into sound films, and in 1932 directed the short romantic comedy *Scherben bringen Glück*, in which he also starred.

In February 1933, seeing the rise of Nazism, Bois and his first wife, the sourette Hedi Ury, left Germany. Their search for a new home took them through Vienna, Prague, Paris, London and New York, where Bois's excellent command of English brought work in several Broadway shows. By 1937 he had arrived in Hollywood, where many of his Berlin acquaintances had preceded him. Like other one-time European stars, Bois was happy to play supporting roles and he became practically indispensable where a camp hairdresser or dress designer was required. Between 1937 and 1950 he appeared in 46 Hollywood pictures, ranging from *Goldiggers of Paris* and *The Hunchback of Notre Dame* to *Cover Girl*, *Joe Paolone Meets Humphrey* and *The Lovable Cheat*. Max Ophüls's *Caught* gave him one of his best roles and he had also a cameo as the pickpocket in *Casablanca*.

In 1950 Bois returned to a divided Berlin and chose the East. His last stage appearance in Germany, in 1932, had been as Khlestakov in *The Government Inspector*. He chose the same role for his first appearance in his homeland after 17 years, at the Deutsches Theater. He enjoyed new success as Puntilla in Brecht's own production of *Herr Puntilla und sein Knecht Matti*, and in 1955 repeated the role in Alberto Cavalcanti's film version. In the East, too, he resumed his career as film director with an adaptation of his own stage production of the Berlin burlesque *Ein Potlitzabend*.

Disatisfied with the roles available in East Berlin, in 1954 Bois moved to West Germany, only to find himself boycotted in the ugly political atmosphere of the period. After three years, however, he enjoyed outstanding success in a series of leading roles, including *Androcles and Argan*, in which he was directed by Fritz Kortner. In 1959 he joined the ensemble of the Schiller Theater.

In 1978, now an — albeit somewhat irreverent — grand old man of show business, Bois celebrated his 70th year in the theatre with a gala at the Theater im Palast, East Berlin. The event set off a new career of readings and recordings; from the mid-1960s he had, too, been busy in television. One of his most memorable performances was as Brecht in a 1966 dramatisation of Brecht's appearance before the McCarthy tribunal. Among his few film appearances in later years was his role as the old Jewish refugee in Markuse Imhoof's *Das Boot ist voll*.

In 1983 the Berlin Festival paid tribute to a group of great elites of the Nazi period. Bois and his one-time costar Dolly Haas among them. He made a personal appearance to present a double-bill and to demonstrate that he still retained the mischief of the child in the 1900s. *Mutterliebe*, and the physical agility to do the funny walk he originated in the 1928 *Die Furst von Pappenheim*.

In *Wings of Desire* Wim Wenders cast Bois, now thin and withered but with bright eyes behind his large spectacles, as the spirit of Berlin. It was an appropriate swansong to a career which ornamented Berlin show business through so many generations.

ing Union, was originally a first figure but his later experience at the hands of men even more to the left provided Hutchinson with early disillusionment about many aspects of the unions of those days. But he joined the Fabian Society and was a dispatch rider during the General Strike of 1926.

He had various writing and research posts before joining the old British United Press in 1930. He was a correspondent in France and then worked in New York and Washington. He returned to join the *Daily Mirror* in 1945 as a trade union correspondent. He enjoyed some of the paper's greatest days when the Bartholomew-King-

Cudlipp triumvirate consolidated the position it had gained during the war as Britain's most successful tabloid; irreverent and radical.

In 1952 Hutchinson was tempted away to the *Daily Herald*, a paper even more firmly committed to the Labour Party than the *Mirror*. He was made assistant editor with a brief to write on political and industrial affairs. When the paper changed in 1954 to a new editor, John Beavan, the Lord Ardwick, Hutchinson's role also changed.

Becoming the paper's chief political correspondent, he was an immediate success. The last years of Macmillan and the administrations of

Douglas-Home, Wilson and Heath found his work outstanding for its clarity and its obvious insider knowledge.

Hutchinson could always see the wry side of politics and politicians though in later years he became increasingly disillusioned with the world of Westminster and even with the party he had supported so long. He stayed with the *Herald* when it was transformed briefly into the *News of the World* and then moved back to the *Mirror* Group in 1969 and retired in the early 1970s.

In the ill-health of his last years he was sustained, as he had been for more than 40 years, by the devotion of his partner Joan Reader; herself a noted *Mirror* journalist.

The war imposed many business problems on him and he felt some embarrassment at not being in uniform like most of his contemporaries. However, he would have had some difficulty in establishing the degree of physical fitness which the Army insists upon and he was far more usefully engaged in the specialist business duties of which he was a master. He was director of propeller production from 1943-4, helping to overcome problems of supply.

After the war he moved into a splendid London house in Cheyne Walk. He was by now a rich man, but he always felt embarrassment when it was revealed that the fide Bentley which he kept in Cheyne Walk was matched by an identical sister ship kept under wraps as much as possible.

Hamilton was a director of Lloyds Bank for 26 years from 1953 and chairman of Expanded Metal Company from 1955 to 1957. For two years from 1957 - he was chairman of the advisory committee on commercial information overseas and then, for three years, deputy chairman of the export publicity council. He was also chairman of the transport users consultative committee, north-west area, 1957-64, and a member of the central transport consultative committee, 1963-4. He was a member of the Independent Television Authority for five years from 1964 and then, for six years, chairman of the



**Central-Middlesex Group
Hospital management
committee**

By reason of his intellect, his abilities and his background, Hamilton was able to make a massive contribution to the world of industry and business. People realised that he knew what he was talking about and his opinions were clear and highly practical. As he aged, his health began a slow deterioration and he retired to live in Cambridge.

He leaves his widow, Pix

Robin Simpson, QC, writes:

THERE was a side to Billy Rees-Davies's character (obituary January 14) which I remember with affection, and I am sure others feel likewise. He could be a most amusing companion, and he and his first wife, Jane, were the most generous of hosts. He suffered severe and continual pain following the loss of his arm. He bore his affliction with great courage.

I never heard him complain once. Finally, though it must be said he was somewhat unpredictable, as an advocate he could be absolutely first class. As a very young junior I heard him cross-examine an experienced prison doctor upon the issue of insanity in a murder trial in front of Mr Justice Slade at the Central Criminal Court. I have never forgotten it. It was one of the finest cross-examinations I have ever heard.

[illegible]

A study into the running of Holyrood Park, Edinburgh, is to be carried out by its management, Historic Scotland, with help from the Nature Conservation Council for Scotland and the Scottish Wildlife Trust (Kerry Gill).

The main aim of the year-long study is to discover and possibly implement the ideas of local people on how the park should be run. Community groups, conservationists and the emergency services will be among 90 organisations invited to comment on issues such as its use, and its historical and scientific value.

The 650-acre city centre "tangle" has its own 800m high extinct volcano and, according to Cathy Tibbork, park project officer, "an outstanding recreational area for the people of Edinburgh".

Latest appointments include:
Sir Gordon Syme to be a member of the Privy Council, on his appointment as a Lord of Appeal in Ordinary.
Mr John Danilovich, UK Chairman of Republicans Abroad, to be a member of the Board of Directors of the Panama Canal Commission, appointed by President Bush.

The Duke and Duchess of Gloucester will make an official five-day visit to Egypt next week at the invitation of President Mubarak who last July made the first state visit to Britain by an Egyptian ruler in 64 years.

THE TIMES SATURDAY JANUARY 18 1992

1987-1988 0-28-10

9.00 **Fantastic Four: Cartoon adventures** (1959/60) 1.55 Once Upon a Spaghetti. Animation. (5009009)

9.30 **Time ... Space**. Exploring the nature of space and time. (5370474) 7.25 **The Complete Star Trek: The first of a series of eight lessons** (c) (259347) 7.55 **Ten Years World Sport**. International sports news and features. (1118001)

9.00 **News summary** (778950) followed by **Racing: The Morning Line** (705574)

9.30 **Fictions in the Mind**. A drama documentary about a poet imagined by who cannot read, write or communicate (c) (50191)

10.30 **Wagon Train: The Felitz Kingdom Story** (b/w). Vintage western drama series starring Robert Horton (1964, b/w) starring Dan Dailey. Eratic, sentimental John Ford comedy about a small-town American who becomes a second world war hero through actions beyond his control made by **Bratislav Pavic** (8130950)

1.00 **Chernobyl**. Czech animation. (200188)

1.10 **Chernobyl**. Russian film from Komsomol Film. Live coverage of the 1986 nuclear disaster. (70277708)

1.20, 1.50, 2.20 and 2.50-races (b/w) (70277708)

3.15 **Film: Young Mr Lincoln** (1938, b/w)

CHOICE: According to his grandson, John Ford's film of the early life of Abraham Lincoln was taken on reluctantly as a studio-early race. According to Ford himself it was a personal project, based on oral research. For once we can believe him. Without accepting his claim that "everything in the film is the true", this is the Fordian view of American history: romantic, populist and based on the "glorious pioneering values of the rural west. Henry Ford was overruled by the thought of playing an American legend. Ford told him the role was of the gawky, young lawyer, not the great emancipator. The film has episodes neither than a pilot, a first love and a murder. The film is a masterpiece of the American film which ends tragically, the woeing of Mary Todd and the death of two brothers on a murder charge. Praising Young Mr Lincoln for its artistry and beauty: the great Soviet director Sergel Eisenstein said that the American film he would most like to have made (1961-69331)

5.05 **Brookside Omnibus** (c) (Teletext) (a) (1720437)

6.30 **Right to Reply**. Robert Kilroy-Glik defends criticism of his Kilroy programmes (Teletext) (a) (521)

7.00 **A Country for Old Men**. In the Westminster, Labour's campaign coordinator, talks about his party's plans to win the general election (8995)

8.00 **Country Cousin Home**. Country music special hosted by Daniel O'Donnell. The guests are Charley Pride and the Judds (2216)

9.00 **Dirk Bogarde** (b/w)

CHOICE: In a study of one of high quality talk: Sir Dirk Bogarde (1920-1999) on his dozen or so of his films, starting with *Victim* which is being shown after the programme. Bogarde has been nothing if not adventurous. *Victim* may have pussyfooted around its subject, the persecution of homosexuals, but in 1961 it was a bold project for the British cinema. It took courage from Bogarde to play the blacklisted barrister. Ironically the first choice was a film that he feared it might create a triumph. When Bogarde mentioned *Victim* to his father, the reply was: "Couldn't you do something more interesting, like *The Mayor of Castelnbridge*?" Bogarde also recalls his collaboration with the blacklisted American Joseph Losey and life in the background to another contentious picture, *The Night Porter*. He reckons his latest film, *My Darling Clementine*, is his favourite. (1999)



The figure consists of two side-by-side photographs of wooden beams supported at both ends by metal stands. In the center of each beam, a weight is suspended, causing the beam to deflect downwards. The left beam is labeled "Control" and shows a large downward deflection. The right beam is labeled "Treated" and shows a much smaller downward deflection, indicating increased stiffness.

On the tracks of a blackmailer: Dirk Bogarde (10.00pm)
10.00 Film: *Victim* (1961, b/w) starring Dirk Bogarde. Taboo-breaking but dated thriller about a homosexual barrister who risks his marriage and career to track down a blackmailer. Directed by Basil

11.55 One Night Stand. Comedienne Judy Tenuta at the Philmore Theatre, San Francisco (1 hr) (1995-6)

12.25am Film: Le Cage aux Folles II (1980) starring Ugo Tognazzi and Michel Serrault. Inferior sequel to the hit camp caper about two St Tropez homosexuals. One of them tries to make the other jealous and they both get involved with gangsters, spies and the police. Directed by Edouard Molinaro (374068)

(23548) 4.00 Videotization (79425) 4.00
Barbie: Steward 1 14730812 - 1.05-5.30

TVS
As London except: 12.30-1.00pm Super-
Cartoon Times (1687788) 11.50 Film: Dracula
(835741) 1.20 At the Comedy Store
(7882285) 2.00 The Hit Man and Her (29548)
4.00 Florence or the Life in the Chateau

TRIO (86321) 1.55 Motorsport Special (142364) 4.55 Backstage (87358797) 5.00-
(60177944) 2.25 Film, McCloud—Eric Clapton 5.30 Music Box (48033)
with Arak (267365) 3.55 4:45 The A-Team

TYNE TEES
As London except 1.55pm The Spectacular World of Guinness Records (60177944)
2.25 Out of Limits (70909128) 2.35-4.45

Rugby League - Live (Salford v Leeds) 5.00
(6749886) 5.00 Northern Life Sport
Special 182505E 5.15 E2E Common Time

(19877789) 11:50 Film: *Quadruphonia*
 (258495418) 2.00 The Hit Man and Her
 (258495418) 2.00 Videoflash! (79423) 4.30
 Pacific Sportsweek (9339819) 5:05-5:30
 William Tell (7951828)

As London script: 12.30 Blockbusters (88321) 1.55 Superstars of Wrestling (88321) 4.35 The Avengers (88348/8) 5.05 Brookside (1720437) 6.30 Free for All (321) 7.00 Newyddion Nos Sadwrn (838895)

7:00 (953) 2.50 4.45 - The Secret Garden
(272298) 6.35m Desmonds (573760) 9.25
Ouzbow! (12012) 9.55 Toccyn Tymor
(71012) 10.35 Film Look Back in Anger
(91088234) 12.25 Lt. Cage Aux Folles
(374088) 2.15 The Word (7943646) 3.10
Dweird

(a) Stereo on FM
5.55am Shipping Forecast 6.00
News Briefing, incl 6.03

4.00 The Art of Travel: The third of
six travellers, Ella Maizari,
recalls the journey she made

Weather 5:10, Farming Week
6:50 Prayer for the Day 6:55
Weather 7:00 Today, and 7:00

7.30, 8.00, 8.30 News 7.25,
8.25 Sport 7.55 Weather 8.58
Weather

9.00 News 9.05 Sport on 4

9.30 Breakaway: Live from the
Bristol holiday and travel show

10.00 News, London Extra

10.30 The Politics of Marco Polo from Peking to
Kashmir

4.30 Science Now: Are there
genuine alternatives to using
animals for scientific research?

5.00 What If...? Enoch Powell
considers what might have
happened if...

Conversation with Ned Sherrin
and poetists (s)

11.00	News, The Week in Westminster, with Robin Oakley, political editor of <i>The Times</i>	government (r)
11.30	From Our Own Correspondent	5.25 Family Fortunes: Phil Smith examines working-class family life in the north across three generations (3 of 6) (r)
12.00	Money Box, with Louise Botting	5.50 Shipping Forecast 5.55 Weather

12.25pm Just a Minute! Nicholas
Parsons hosts the fast-talking
panel show (s) 12.55 Weather
6.00 News; Sports Round-Up
6.25 Week Ending (s) (r)
6.50 Act Up! Robert Dilek

7.10 Any Questions? Nick Clarke is joined in Grays, Essex, by Tony Benn, MP, Lynda Chalker, MP, overseas development minister.

the Market Theatre of Johannesburg (s)
7th Gloria Street, The B...

2.00 **News. Any Answers?** 071-580/4411. Ring Nick Clarke with your views on the issues raised in *Any Questions?*

9.50 Teri to Ten (s) **9.59** Weather
10 PM News

10.15 Nick McCarty's skills to stop us from constantly telling ourselves that what we are listening to here is not really a play but a novel disguised as one. However, McCarty starts

Charles Arnold-Baker gives the third of six

11.09 **Richard Baker Compares**
Notes with conductor Yan Pascal Tortelier and orchestral administrator Richard Lloyd about the work of the Ulster Orchestra in 1999.

hero (Paula Wilcox), the labyrinthine plot involves some

missing treasure from classical
Troy which, we are led to
believe, is what the cunning
Russians are eager to get
their hands on (s)

comes from Oxford (s)
12.00-12.43am News, incl 12.20
Weather 12.23 Shipping
Forecast 12.43 World Service
(LW only)

REQUENCIES: Radio 1: 105.4 + 226.1

FM-88-90.2 Radio 3: 1215kHz/247m; FM-87.6-89.8 Radio 4: 99kHz/1515m; FM-92.4-94.8 Radio 5: 693kHz/438m; 900kHz/220m; 1500kHz/1515m

152kHz/201m; FM 97.3. Capital: 1548kd-z/194m; FM 95.8. GLR: 458kd-z/206m; FM 94.9; World Service: MW 848kHz/463m.

SECRET

CHANE

.00 Trans World Sport (r) (63109) 7.00 Euroeka's Castle. For the under-lives (18616) 7.30 Star Street (7160722) 7.55 The Wild Bunch (7072513) 8.25 Ramona (r) (7913451) 8.55 Little Rascals! A new animated series (s) (8367432)

.25 The Sword of Tsou Sultan. Indian period drama serial. English subtitles (9173161)

.50 Dispatches. A report on how artificially created animals and plants are becoming the property of the companies that develop them (r) (3185616)

.50 Dennis. Adventures of a mischievous boy and his friends (8221161) 11.10 Round the Bend. Puppets and cartoons (r) (4025053)

.30 Dynamex: Look at Me. The story of the relationship between two boys, one of whom is deaf (r) (Teletext) (2432)

.00 Little House on the Prairie. Extracts from the lives of a Kansas plains family during the 1880s (r) (74567) 1.00 Voyage to the Bottom of the Sea. Classic underwater adventure series (50587)

.00 Film: Appointment in London (1953, b/w). A tribute to the second world war Bomber Command, with Dirk Bogarde as a wing commander, showing the strain of almost 90 bombing raids. Routine British war film, directed by Philip Leacock (124513)

.45 Paradise Lost? A Survival documentary examining the effect of tourism on the wildlife of the Hawaiian Islands (r) (690548)

.15 Unlaced in the Garden. Animated version of the James Thurber story (1710353)

.25 Velveteen Opinion. In the second of his series on antiques Max Robertson deals with porcelain and how to spot fakes (4732432)

.55 News and weather (6642364)


.00 Scottish Eye: Plague of the Glen. A report on the growing dispute between conservationists and landowners over the future of two lands red deer (8646)

.30 Dig. Gardening programme presented by Carolyn Marshall (r) (Teletext) (258)

.00 Teenage Health Freak. Adrian Mole-type comedy tracing the adolescent anguish of schoolboy Peter Payne. Starring Alex Lawton (r) (Teletext) (971)

.30 The Wonder Years. American version of the previous programme, but set in the late 1960s. Starring Fred Savage (s) (451)

.00 Defenders of the Wild. The second of three programmes celebrating the achievements of people who have dedicated their lives to protecting the endangered wilderness. Today's subject is 25-year-old Anna Giordano, whose special interest is Italy's threatened honey buzzards. (Teletext) (5258)




Olympic winner sporting a gold medal for sculpture (8.00pm)



Olympic winner, sporting a gold medal for sculpture (8.00pm)

- **Visions of Sport.**
 - **CHOICE:** An ambitious feature-length documentary takes as its theme the links between sport and art. The scope is wide, covering more or less the whole of human history. Probably the earliest example of sporting art is cave drawings made 10,000 years ago. More recently, Homer can claim to be the first great sportswriter. The film is often more about sport and society and the way art has reflected this than about art as such. There is much emphasis on the Olympic movement, both ancient and modern. Here there is direct connection between sport and art. Between 1919 and 1928 art competitions were held alongside the sporting contests. Medals were awarded for painting, sculpture, architecture, music and literature. Elsewhere the film strains to justify its remit, pulling in Toulouse-Lautrec and Picasso on the strength of their undeniable but hardly central interest in cycling. (45/52)
- **The Thing Is ... Money.** Paul Morley explores aspects of the world of money with Dennis Taylor, Viscount Weymouth and Tony Lammanou, a former associate of the Kray twins (7/8068)
- **Film: Accident** (1967) starring Dirk Bogarde, Stanley Baker and Vivien Merchant. Four years after *The Servant*, screenwriter Harold Pinter and director Joseph Losey collaborate again on this unsettling, sharply observed drama about a married Oxford don who suffers emotional turmoil when he falls in love with a pretty undergraduate (28/19)
- **Film: Yellow Earth** (1984). An award-winning examination of life and political attitudes in a remote Chinese village during the Sino-Japanese war in 1939. Directed by Chen Kaige. (177/469). Ends at

[illegible]



This winter make a friend for life

... by joining the RSPB.

Winter can be cruellest on the birds.
Did you know that when it drops below freezing,
it takes *only 3 days* without food or water to kill a bird?
By joining the RSPB, you can help in two ways.
Firstly, by putting food out regularly on the FREE
birdtable we send you once you join. Besides nuts and
bacon rinds, put our fruit, cheese and tinned petfood;
but only moist bread and *boiled* rice, or these could swell
up inside their stomachs. As to water, a child's ball in
your birdbath will delay freezing over.

Even more importantly, your contribution
will help the RSPB build a secure future for
Britain's birds and wildlife – all year round.


RSPB, The Lodge, Sandy, Beds SG19 2DL.

**YES I want
to join the RSPB**

To support the RSPB's vital work, I enclose:
☐ £22 (Year's membership for two adults at one address)
☐ £8 (Year's single membership)

Membership benefits: **FREE BIRDTABLE**, quarterly colour Birds
magazine and free entry to over 100 RSPB nature reserves.
 Retired person's rate: £9. each free gift.)

I am paying the total of £_____ by:
☐ Cheque / Postal Order (payable to RSPB) ☐ Access/Visa
 and
 Number:



A2400


Cardholder's Signature: _____
(Please use each address of cardholder if different from below.)

Mr/Mrs/Miss/Ms _____
 Address _____
 Postcode _____

Mr/Mrs/Miss/Ms _____
 Initials _____

Sent to: The Royal Society for the Protection of Birds,

(PLEASE PRINT)



Labour launches benefit challenge

By PHILIP WEBSTER, CHIEF POLITICAL CORRESPONDENT

LABOUR last night launched a counter-attack against Conservative criticism of its tax and social policies by challenging the government to say whether it supports the increases in pensions and child benefit that they would finance.

As the government suffered a setback in its fight against inflation, with a rise to 4.5 per cent, all parties prepared for another week's relentless campaigning, with the Conservatives planning to focus on a detailed costing of Labour's spending programme and the Liberal Democrats complaining that they are being unfairly squeezed out of the limelight as the unofficial election campaign intensifies.

The Budget date, expected

to be disclosed next week, is awaited as a pointer to the general election timing. If the government chooses March 3 for the Budget, it will be seen as leaving open the door to an April 9 election.

After a week in which the Conservatives appeared to have taken the initiative on taxation, Roy Hattersley, Labour's deputy leader, hit back by stressing that 10 million pensioners and seven million families would be better off under Labour's plans, while 90 per cent of the population would be unaffected by the proposed tax and national insurance changes.

Far more families would gain from Labour's plans than would contribute to the

cost, Mr Hattersley said. He said that these were facts that the prime minister wished to suppress, and challenged him to say whether he supported Labour's proposals for better pensions and child benefit.

"John Major and the newspapers which have been so vociferous in their comments on Labour's tax and national insurance proposals have a duty to make clear where they stand on the improvements which those proposals will finance," he said.

Mr Hattersley's intervention reflects a decision by the Labour leadership to move on to the offensive over tax. There is frustration in the shadow cabinet that this week's developments, in which the leadership appeared to be at odds over whether the national insurance changes should be phased, have taken attention away from the benefits that the tax plans would bring.

Labour spokesmen intend next week to hammer home the point in Commons debates on the economy and poverty. Mr Hattersley said: "Does the prime minister propose an increase in child benefit of the sort that Labour intends? If he does not, how does he justify more and more families falling below the poverty line? If he does, how does he propose to finance it?"

As ministers launched fresh attacks on Labour's plans, Michael Portillo, the local government minister, said that Britain was aiming for an "ultra-low tax economy" under the Conservatives.

Mr Major and Michael Heseltine, the environment secretary, are to give television interviews on Sunday that are bound to sustain the electioneering atmosphere.

● The Scottish Conservative party conference, scheduled for May 13 to May 15, was postponed yesterday. The decision, was made because of the need to prepare for the general election.

Labour's taxes, page 2
Diary page 10

Tories plan further cut in surgery delays

By NICHOLAS WOOD AND JILL SHERMAN

THE maximum waiting time for a hospital operation is to be cut from two years to as little as 18 months under manifesto proposals being drawn up by the Tories.

William Waldegrave, the health secretary, and John Major are understood to have provisionally agreed the target at last week's Downing Street summit on the Tory programme for a fourth term. The move is intended to build on what ministers regard as the success of their health reforms.

The new target emerged as Mr Major held a meeting at Downing Street with 12 cabinet members to discuss both progress on the citizen's charter and new ideas, many of which are expected to be included in the manifesto.

On the strength of the meeting the prime minister has decided to relaunch the charter in a speech on January 27th. He will outline a series of new charters to be announced in the next two

months, and pledge legislation concerning existing charters in the first session of a new parliament. He is also expected to announce some of the new ideas drawn up at yesterday's meeting.

The charters expected over the next few weeks include charters for benefit claimants and rail passengers. A tenant's charter and a justice charter setting out "a better deal for jurors and witnesses" will also be announced before the election.

The two-year limit on all patients waiting for operations was set in the patient's charter, unveiled in September. According to the latest figures, by November, eight months after the introduction of the health service reforms, the number waiting more than 18,000 (35 per cent) to 32,810. The target set out in the charter becomes operative in April and it is far from certain that the health service will be able to meet it.



In touch with science: Lauren Muswell, aged seven, of Cubitt Town School, east London, inspects a sculpture from the San Francisco Exploratorium science museum. The hydraulically-powered skeleton, part of a display at Canary Wharf, east London, squats and stands on its globe-shaped base.

Tuning in to galactic 'gossip'

Continued from page 1

October 12, Columbus day, 500th anniversary of the discovery of the New World.

The search will be automated by using signal processors able to search for patterns that are not thought to be produced by any natural source of radio waves. Computers will search across a range of wavelengths and pick variations that may represent an attempt by other civilisations to get in touch.

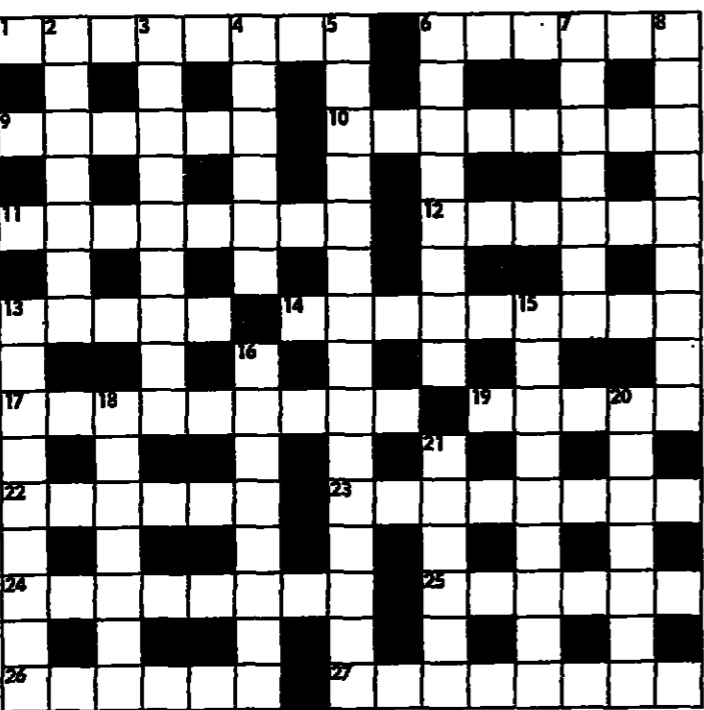
The confidence of the searchers is based on the fantastic numbers of stars. There are perhaps 40 billion stars roughly similar to the sun in our galaxy. That means that if life has evolved around only one star in every 100,000, there would be 400,000 civilisations in our own galaxy alone. Since most scientists believe that life evolved without divine intervention, it seems unimaginable that it did so in only one place.

Many, if not most, of these other civilisations would be older than ours, and therefore might have been transmitting radio signals for thousands of years. But even if NASA detects one from a nearby star, two-way communication would be extremely slow. Signals from such a star would have taken a century to reach us.

The SETI programme will not be sending out signals, just listening for them. Man-kind has already sent out its calling card, a three-minute message broadcast from Arecibo in 1974, which contained a variety of numbers and chemical formulae, including that for DNA. That signal was designed to penetrate for 200 light years, close to 20,000 billion miles. But even if there is somebody listening, it will be decades or centuries before the signal reaches them.

Graham Sharpe, of the bookmakers William Hill, was last night offering odds of 500 to one against intelligent life being found elsewhere in the universe during 1992.

THE TIMES CROSSWORD NO 18,818



- ACROSS**
- 1 Poet lying in the sun? (8).
 - 2 Full significance of odd man out (6).
 - 3 Run second impression (6).
 - 4 Cunning needed to prune tail caci variety (8).
 - 5 Jumbo perhaps has a black face (3,5).
 - 6 Hot wind, low mistral initially, is backing (6).
 - 7 Imperial poet with a grasp of English (3).
 - 8 Mordant an unusual decoration? (9).
 - 9 What's-his-name is slight and clinging (9).
 - 10 State Shelley's Paradise of exiles (5).
 - 11 For dementia, girl is given injection of sodium (6).
 - 12 "The Knoll", address suitable for a cardinal? (8).
 - 13 Is this noise reduced greatly in a mini? (4-4).
 - 14 Temporary theatre (6).
 - 15 Fancy the public transport from Tennessee? (6).
- DOWN**
- 1 Well-stocked salesman allowed to open emporium (7).
 - 2 He helps the master at assembly (7-2).
 - 3 Receipts that needs emptying daily (2-4).
 - 4 Last in the ring, we hear (15).
 - 5 Bloodstock? (8).
 - 6 Open a French cul-de-sac (7).
 - 7 Recording radio readings? (9).
 - 8 Not sustained, naturally? (6-3).
 - 9 Home at ten, dishevelled and decrepit (4-5).
 - 10 Task on the house not subject to tax (4-4).
 - 11 Fiery sort of rock (7).
 - 12 Forward, against the head, stops another on the bolt (4-3).
 - 13 Girl's array to win people over? (6).

Solution to Puzzle No 18,812

THIRLL HOUSEMAN
E O M B O A O
R A P T U R E S I M E N O N
E L I N E E M E
S W I S S G U A R D H A L S
H E S V I D O
O D M E N T A I M L E S S
L E T E N F L A
D E V I L I Z E T H R O W I N
A E L T
D E M O B A R S E W I E
U O C T U E I D
B R O T H E R F A N G I E R
A S E I F C G M
I D I E I F E B E R G I E N

Solution to Puzzle No 18,817

S I P U P O R I S E L D A
E I O E Q I T
C A S T I R O N P U N T E R
Y T B T T Y S
P E L L M E L L W A Y O U T
N E A E N R R
E S A G A M O R E A T
A D D S L E E F L A P
O R L E I N S T E R P
P O R L A N E R E P
L I A N T O P T R A D I E G I A P
E S K A C E B E
G L O S S Y R A T I O N I E D
I U I M O M
A N T I O N Y M S R O I A T I E

PARKER DUOFOLD A price of a superb Parker Duofold International Fountain Pen, with an 18 carat gold nib and fully guaranteed for the lifetime of the original owner will be given for the first five correct solutions opened next Thursday. Entries should be addressed to: The Times, Saturday Crossword Competition, PO Box 486, Virginia Street, London E1 9DD. The winners and solution will be published next Saturday.

Name/Address:

WORD-WATCHING

A daily safari through the language jungle. Which definitions are correct?

By Philip Howard

- DEF**
1. American council for the deaf
 2. Director of Evacuation Forces
 3. Excellent, great, cool
- ASSYRIMENT**
1. Leaving fallow
 2. Assessment for taxation
 3. Judicialisation for death
- GADROON**
1. A small pinnace gun
 2. A silver coin
 3. A boot
- ZOOZOO**
1. The wood pigeon
 2. A Zulu war drum
 3. A vivarium kept by ants

Answers on page 13

AA ROADWATCH

For the latest AA traffic and road-works information, 24 hours a day, dial 0836 401 followed by the appropriate code

London & SE	731
C London (within N & S Circs)	732
M-ways/roads M4-M1	733
M-ways/roads M1-Dartford T	734
M-ways/roads Dartford T-M23	735
M25 London Orbital only	736
National	737
National motorways	738
West Country	739
Wales	740
Midlands	741
East Anglia	742
North-east England	743
North-west England	744
Scotland	745
Northern Ireland	746

AA Roadwatch is charged at 36p per minute (cheap rate) and 48p per minute at all other times.

TIMES WEATHERCALL

For the latest region by region forecast, 24 hours a day, dial 0858 500 followed by the appropriate code.

Greater London	701
Kent Surrey Sussex	702
Dorset Dorset & IOW	703
Devon & Cornwall	704
Wiltshire, Gloucestershire, Somerset	705
Berkshire, Bucks, Oxon	706
Beds, Herts & Essex	707
Norfolk, Suffolk, Cambs	708
West Mid & 5th Glam & Gwent	709
Shrops, Herefords & Wores	710
Central Midlands	711
East Midlands	712
Lincs & Humberside	713
Dyfed & Powys	714
Gwynedd & Clwyd	715
NW England	716
W & S Yorks & Dales	717
N E England	718
Cumbria & Lake District	719
SW Scotland	720
Edin S Fife/Lothian & Borders	721
E Central Scotland	722
Argyllshire & E Highlands	723
NW Scotland	724
Cardiff, Glamorgan & Swansea	725
Cardiff, Glamorgan & Swansea	726
N Ireland	727

Weathercall is charged at 36p per minute (cheap rate) and 48p per minute at all other times.

The winners of last Saturday's competition are: G E Follows, Middle Park Avenue, Eltham, London; R M Farrer, Chatsworth Drive, Cheltenham; P Mavilis, Duck Street, Mousehold, Cammell; Miley, Murray Crescent, Larnish; Lily of Arran; B Lawless, Luvit Road, Preston.

Scotland, Northern Ireland and northern England will be cloudy, but some brightness is likely in sheltered eastern areas. Northern and some western coasts of Scotland may have light drizzle, perhaps turning heavy over Shetland. Wales and southern England should be a little brighter than the north, but still cloudy. Any fog will linger. Frost will make freezing fog likely. Outlook: cloudy and mostly dry, but with light rain likely in the east.

AROUND BRITAIN		Sun Rain Max	
Area	Forecast	Area	Forecast
Abertawe	12 54 c	Majorca	13 25 s
Algeria	15 59 s	Malaga	14 57 s
Algiers	16 61 s	Malta	15 59 s
Amsterdam	7 45 c	Melb/m	17 63 c
Antwerp	15 59 s	Mexico C	10 50 c
Bahrain	19 66 s	Milan	9 32 c
Bangkok	27 81 s	Montréal	25 12 c
Barcelona	27 81 s	Moscow	25 12 c
Berlin	16 70 s	Munich	27 37 c
Birmingham	6 43 f	Nairobi	27 37 c
Bombay	2 36 c	Naples	15 55 c
Bordeaux	4 39 c	N Delhi	17 63 s
Boston	6 43 f	N York	25 12 c
Budapest	7 45 c	Nice	10 50 c
Calcutta	28 79 s	Oslo	1 30 s
Cairo	16 61 s	Paris	3 45 c
Cape Tn	19 66 s	Perth	25 84 s
Colombo	27 81 s	Prague	25 12 c
Copenhagen	6 43 f	Rangoon	27 37 c
C'phagen	4 39 c	Rhodes	14 57 s
Corfu	16 70 s	Rio de J	14 57 s
Dublin	4 39 c	Rome	12 64 f
Faro	15 59 s	Saltburg	4 39 c
Feriz	16 70 s	Sao Paulo	27 81 s
Frankfurt	7 45 c	Santiago	32 90 c
Geneva	18 64 c	S' Paulo	27 81 s
Gibraltar	15 59 s	St Louis	27 81 s
Helsinki	1 30 s	Strasbourg	14 57 s
Hong K	16 61 s	Taipei	19 66 s
Imbros	0 32 c	Tangier	16 61 s
Isle of W	16 61 s	Tel Aviv	25 12 c
Jakarta	26 79 s	Tenafra	22 72 f
Karachi	26 79 s	Tokyo	14 57 s
L. Palmas	21 70 f	Toronto	3 45 c
La Touet	9 48 c	Tunis	10 50 s
Laibon	10 50 s	Valencia	11 52 s
Lagos	5 41 c	Vancouver	4 39 c
London	7 45 c	Venice	1 34 c
L. Angeles	16 61 s	Vienna	25 12 c
Luxembg	4 39 c	Warsaw	25 12 c
Luxor	18 64 c	Washington	6 21 c
Madrid	5 41 s	Zurich	3 45 c

denotes figures are latest available

HIGHEST & LOWEST

Thursday: Highest day temp. Tree and Macdonald, Stratford, Sharncliffe Sands and Chivenor, Devon, 9C (48F), lowest day max Lowestoft and Watlington, Suffolk 5C (41F), highest rain Lowestoft, Sharncliffe Sands, Watlington, Suffolk 5.1 in.

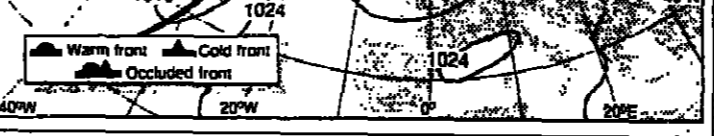
MANCHESTER

Yesterday: Temp. max 6am to 5pm, 5C (41F), min 6pm to 5am 1C (34F). Rain 24hr to 5pm, trace Sun 24hr to 5pm 0.8hr

GLASGOW

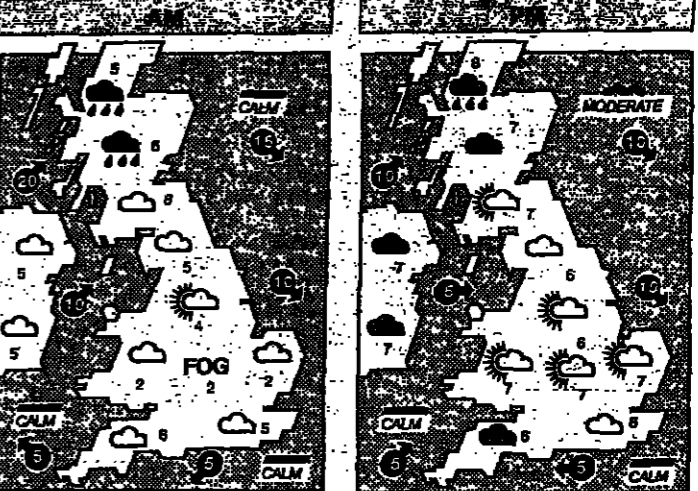
Yesterday: Temp. max 6am to 5pm 5C (41F), min 6pm to 5am 1C (34F). Rain 24hr to 5pm, trace Sun 24hr to 5pm 0.8hr

NOON TODAY



TODAY		Sun sets		TOMORROW		Sun sets	
Sun sets	7:56 am	Sun sets	4:25 pm	Sun sets	7:57 am	Sun sets	4:26 pm
Moon sets	6:47 am	Moon sets	2:45 pm	Moon sets	7:29 am	Moon sets	4:12 pm
Full moon tomorrow		Full moon tomorrow		Full moon tomorrow		Full moon tomorrow	

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Tecno THE STORE WITH VISION

THE TIMES BUSINESS

SATURDAY JANUARY 18 1992

BUSINESS EDITOR JOHN BELL

17

● BUSINESS NEWS 17-20, 29, 30
● WEEKEND MONEY 21-28
● ACCOUNTANCY RESULTS 31-33
● SPORT 33-38

MONEY

Profile

Ernest Saunders came out of Ford Open Prison six months ago after serving nine months for his part in the Guinness affair. He appears to be neither bitter nor a quivering wreck, but the experience has left him determined to be a part proprietor, rather than an employee making money for other people. Page 19



Quiet weddings

Mortgage lenders are footing tax bills for couples who do not tell the tax man when they marry and who continue to receive mortgage interest tax relief they are not entitled to. Page 25

Evasive action

Employees with company cars are making sure they clock up enough mileage to avoid extra tax. Those with less than 2,501 business miles could face a bill of £1,780. Page 25



The Pension Salesman
GAB
Letters Page 28

Friendly warning

Rosalind Gilmore, the chief registrar of friendly societies, gave warning this week that credit unions set up by neighbours, trade unions, colleagues or organisations were often formed without enough planning. Enthusiasm at the launch is not enough, as this can diminish in time, she said. Unions need committed management and a reserve of trained individuals able to step in if necessary, otherwise investments could be put in danger. Page 22



Long wait

The Bank of Credit and Commerce International is to be wound up, but investigations are expected to go on into the next century. Investors question the liquidators' slowness. Page 23

Pep temptation

Single company Peps have been well received but investors should not get carried away and take out more than one in a single tax year. They should check their options. Page 26



Pension plans

Working people could face a 50 per cent rise in national insurance contributions by 2010 if the government bows to pressure to reduce the pension age to 60 for men and women. Page 21

RPI at 4.5% has second monthly gain

Government borrowing rises sharply

BY COLIN NARBROUGH, ECONOMICS CORRESPONDENT

OFFICIAL figures for December showed inflation rose for the second month running and give signs of a disturbing deterioration in government finances that could limit the Chancellor's scope for tax cuts in the Budget.

The retail prices index (RPI) rose 0.1 per cent to 135.7 in December, which took the annual increase to 4.5 per cent from 4.3 per cent in November. Last January, it stood at 9 per cent. The acceleration in the annual rate last month was slightly greater than the City expected, but

mainly reflected falls in petrol prices and mortgage rates in 1990 dropping out of the year-on-year comparison.

Price changes in the pipeline, including post-Christmas sales, point to annual inflation holding steady in January, before falling again in February and March, when it is likely to undercut the German rate. Western German inflation rose to an annual 4.1 per cent in December, but is likely to climb near to 5 per cent in this first quarter. German inflation fears are likely to keep Bundesbank policy tight well into this year, making it at

most impossible for Norman Lamont, the Chancellor, to cut rates before the election. Despite the weakness of economic activity, underlying inflation remains stubbornly high. Excluding mortgage interest rates, the RPI showed an annual rise of 5.8 per cent in December after 5.7 per cent in November. If all housing costs are excluded, annual inflation rose to 7.5 per cent from 7.3 per cent.

Robin Marshall, chief economist at Chase Investment, said his measure of core inflation, excluding food and energy costs, has been at 6.4 per cent for the past three months. "Britain's core inflation remains substantially above core inflation rates in other countries. This indicates there is still substantial progress to be made in reducing British inflation." On the same measure, western Germany has core inflation at 4 per cent.

Simon Briscoe, economist at Midland Montagu, said the pick-up in inflation is the "bip in the dip", as all the evidence pointed to the RPI still being on a downward trend. But he described Treasury figures showing government borrowing of £12.2 billion in December as "bad in almost every respect", as they showed there was worsening on a broad front. City forecasters had expected the government, helped by £1.8 billion in proceeds from the disposal of BT shares, to make a modest debt repayment. But instead there was a public sector borrowing requirement (PSBR), the first in December since 1987.

After the first nine months of the fiscal year, the cumulative PSBR had reached £10.5 billion, the target Mr Lamont set for the full year. Although January is a month of corporate tax receipts, which produces a large surplus for the government, City economists fear the recession and the rescheduling of payment dates could reduce the repayment by up to £2 billion. Keith Skeoch, chief economist at James Capel, said the "worrisome" outlook for corporate tax receipts meant Mr Lamont was on course to overshoot his PSBR target by up to £2 billion.

John Sheppard, senior economist at Warburg Securities, said the gilt market came off sharply in reaction to the PSBR figures, reflecting fears of possible overspending of government paper in 1992-3. Analysts attributed the rise in the PSBR figure to both a rise in government spending and a fall in revenues.



In buoyant mood: Sir Alistair Frame of Wellcome expects significant growth

Thomas Robinson and BM halted

BY JONATHAN PRYNN

SHARES in BM Group and Thomas Robinson Group, the engineers, were halted yesterday pending announcements on Wednesday.

Neither company would comment on the suspensions but it is believed BM Group is poised to make an agreed takeover for the troubled Derbyshire company. Thomas Robinson shares were suspended at 12.5p, valuing the company at £18.75 million.

A takeover would mark the end of the road for another of the generation of mini-conglomerates of the mid-Eighties. Thomas Robinson was the vehicle for Graham Rudd, brother of Nigel Rudd, chairman of the more successful Williams Holdings.

After an initial period of rapid growth, its fortunes never recovered from a disastrous attempted takeover of

John Crowther, the textiles group, in 1988. A subsequent slump in performance resulted in the appointment of Roy Barber, the company doctor, as replacement for the ousted Mr Rudd in July last year.

In October, the company made first-half pre-tax losses of £22.3 million. A slimming operation has left the once sprawling company with interests in wood, process, and specialist engineering and industrial consumables.

Pre-tax profits at BM, a distribution equipment maker, rose almost 50 per cent to £34 million last year. It has been transformed by Roger Shute, chairman, who took over in 1984 when BM was worth £3 million. In September 1990 it bought Blackwood Hodge, the earthmoving plant maker for £58 million. BM was halted at 400p.

Wellcome turnover rises 20%

SIR Alistair Frame, the Wellcome chairman, presented an upbeat report on trading since the August year-end at the annual meeting yesterday, (Jonathan Pryn writes).

In the four months to end-December, group sales rose 20 per cent on the previous year, he said. Margins at the pre-tax level continued to improve, so Wellcome would achieve "a significant enhancement of profits and earnings per share in 1992".

The board came under fire over the pricing of the group's Aids retarding drugs. Rob Archer, of the Wellcome independent shareholders association, urged the company to withdraw the proposed 54 per cent dividend rise, and to cut the Ayclovir price 10 per cent. Wellcome said the chief beneficiary of the payout rise was Wellcome Trust, a charitable group that does considerable Aids research.

IBM suffers its worst year

FROM PHILIP ROBINSON IN NEW YORK

IBM, the world's largest computer company and the bellwether of American industry, reported its first annual loss, and its first sales decline for 45 years. The results were slightly worse than had been expected.

Despite severe job cuts and a fundamental shake-up that began in 1991, analysts doubt whether this year will see an improvement without a global economic upturn.

William Milton, computer analyst with Brown Brothers Harriman, a New York institutional stockbroker and investment bank, said: "This is a critical year for IBM and its fortune will depend on an economic upturn, irrespective of the measures it has already taken."

Last year was one of the toughest experienced by the company since it was founded as a cash register concern in 1914. It lost \$2.8 billion, compared with a \$6 billion profit in 1990. Sales were 6 per cent lower at \$64.8 billion, the first drop since 1946. Costs and expenses rose 10 per cent to \$63.8

billion, leaving an operating profit before tax down 91.5 per cent to \$942 million.

In the final three months of the year, IBM lost \$1.38 billion, after charging the \$3.4 billion cost of cutting 29,000 jobs. The bill is \$400 million higher than originally announced because the number of staff who took advantage of a voluntary redundancy plan was half as high again as IBM expected.

John Akers, chairman, said: "We are moving into 1992 a tougher, smarter and more competitive business."

A further 20,000 jobs are expected to be axed this year, cutting the payroll to 300,000, saving IBM \$1 billion this year. As part of its plan to meet competition from smaller rivals, IBM is to split itself into six autonomous divisions and strike more deals with other companies, along the lines of its pact with Apple.

IBM shares, always considered a buy below \$100, have been down to \$83.50 in the past 12 months, but added \$1.25 yesterday to \$96.75.

National Home Loans axes six executives

BY NEIL BENNETT, BANKING CORRESPONDENT

THE problems at National Home Loans, the loss-making mortgage lender, have claimed the jobs of six senior executives only a week after John Darby, the chairman, announced his resignation.

The company said that Christopher Slav, an executive director in charge of leasing and consumer and business loans, has been made redundant, along with five other divisional chiefs,

with immediate effect. The redundancies will save the group an estimated £500,000 a year as the executives will be replaced internally. Since last summer, NHL has reduced its workforce by 150 to 750, and does not rule out further cuts. The group is still seeking a replacement for Mr Darby and plans a refinancing and restructuring.

Miras bliss, page 25

US trade deficit at nine-year low

BY OUR ECONOMICS CORRESPONDENT

THE American trade deficit narrowed sharply in November to its smallest for nearly nine years, as sluggish domestic demand curbed imports and exports climbed to a record level, the latest government figures show.

News of the improvement,

which took Wall Street economists by surprise, points to the deficit for all of 1991 falling below \$100 billion for the first time since 1983; it came only a week after President Bush's return from Tokyo with a controversial agreement to cut the \$41 billion deficit with Japan.

Commerce department figures showed the American trade gap at \$3.57 billion in November, a drop of 43.5 per cent from the revised deficit for October. Helped by the lower dollar, and aircraft sales, exports rose 0.9 per cent to \$37.5 billion, exceeding the record set in October. But the main swing was in imports, which fell 5.3 per cent to \$41 billion, with car imports from Japan and Canada both lower. After the first 11 months of 1991, the trade deficit was running at an annual rate of under \$65 billion, against the previous year's total of just over \$100 billion.

The better trade figures conveyed a mixed message on the economy. Record exports could prevent it from starting to shrink again in the final quarter, while the reining back of imports points to the domestic economy still struggling to recover. But recovery in America and slowdown in key export markets may widen the trade gap again.

Other American data confirmed continued weakness. Industrial production fell 0.2 per cent in December, the third consecutive monthly fall, making 1.9 per cent for whole of 1991. This was the first annual fall since 1982.

Bush programme, page 9
Leading article, page 11

THE POUND

US dollar 1.7857 (+0.0282)
German mark 2.8509 (+0.0002)
Exchange index 90.4 (+0.4)
Bank of England official base rate (4%)

STOCK MARKETS

FT 30 share 1966.8 (+8.5)
FT-SE 100 2536.7 (-4.9)
New York Dow Jones 3255.14 (+5.59)
Tokyo Nikkei Ave 21321.37 (-250.82)

INTEREST RATES

London: Bank Base 10 1/4%
3-month Interbank 10 1/4%
3-month eligible bills 10 1/4%
US: Prime Rate 6 1/4%
Federal Funds 5 1/4%
3-month Treasury Bills 3 7/8-3 7/16%
30-year bonds 10 1/4-10 1/2%

CURRENCIES

London: New York
£ \$1.7857
£ DM2.8509
£ Sfr2.5276
£ FF9.7389
£ Yen225.38
£ Index 90.4
ECU £714.486 SDR £780.747
ECU £385.84 SDR £267.833
London foreign market close

GOLD

London Fixing:
AM \$357.30 pm \$355.90
close \$356.00-356.50 (1991-92)
New York:
Comex \$356.35-356.65

NORTH SEA OIL

Brent (Feb) \$18.40 bid (\$18.20)

RETAIL PRICES

RPI: 125.7 December (1987=100)
Densities: monthly trading price

Saunders backs Maxwells' silence

BY CAROL LEONARD

THE insistence by Ian and Kevin Maxwell on their right to silence - described by George Carman, QC, as a "constitutional right" - and their refusal to answer verbally the questions of a House of Commons select committee, has won support from an unexpected quarter.

Ernest Saunders, a former chief executive of Guinness, whose right to silence was overruled by trade and industry department inspectors and the Serious Fraud Office, says: "They [the Maxwells] are obviously being well protected by their lawyers and I do not blame them for doing it."

Transcripts of Mr Saunders' conversations with the trade department and the fraud office were submitted

as evidence against him. "The right to silence must be clarified and not left to ad-hoc pronouncements determined by the degree of publicity surrounding a particular case, or the availability of funds," he says.

The claim to a right to silence forms, in part, the grounds for Mr Saunders' application to the European Court of Human Rights to have his conviction quashed. Mr Saunders believes this was a factor that prejudiced his case, making a fair trial impossible. "I was guilty until proved innocent," he says.

Other contributory factors were, he claims, the manner in which Guinness sacked him from his £240,000 a year job and the huge level of publicity surrounding the case. Mr Saunders has been in corres-

pondence with the newly created Royal Commission on Criminal Justice, to discover if its remit encompasses white-collar crime.

Yesterday, Mr Saunders received a reply from Professor Michael Zander, a member of the justice commission, confirming it would examine white-collar crime and "urging" him to submit his views.

Mr Saunders, who is 56, wants the continuing debate on corporate governance to include not only the role of non-executive directors, but also the role, responsibilities and risks of executive directors. "This is an important subject, which ought to concern anybody who is an executive director," he says.

"Today, anyone involved in corporate management faces increasing

personal responsibility for all sorts of activities, and that's fair enough, but they ought to make sure that their own rights are taken care of. There can be instances when a director finds himself estranged from the board, implicated perhaps in a regulatory enquiry, civil litigation or even a criminal trial.

"They will need professional representation and they may find that no one is willing to indemnify them. They will then be personally liable and that is a very worrying situation. Taken to its extreme, who is going to want to be a director of a company? If I was a director, I certainly wouldn't take on the job without an insurance policy."

Profile, page 19

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Peel leaps sixfold to £1.6m

PROFITS at Peel Holdings, the property company run by John Whitaker, were £1.6m (£269,000), helped by a maiden contribution from Manchester Ship Canal.

Peel acquired its 68 per cent MSC stake last May when it bid £80 million for Largs, a private company owned by Mr Whitaker.

The dividend is maintained at 1p.

Trust advances

Net asset value of St Andrew Trust, a smaller companies investment trust managed by Martin Currie, increased 10.7 per cent to 226.1p (204.2p) per share in 1991. Pre-tax revenue was £3.43 million (£3.53 million). Earnings per share were 7.12p (7.36p), and the final dividend is 4.85p (4.70p), making 7.55p (7.20p).

Aberforth up

Net asset value of Aberforth Smaller Companies Trust had advanced 30.5 per cent to 126.2p per share at the end of December. Pre-tax revenue was £1.06 million. Earnings per share are 5.27p. A final dividend of 2.5p is being recommended, giving 4.5p.

Vetting vetoed

THE Office of Water Services is to give up vetting individual property sales under £500,000 by water companies when they are made to independent third parties.

Kunick cuts final dividend against its own forecast

BY GILLIAN BOWDITCH

KUNICK, the amusement machine and nursing homes group, has cut its final dividend by 57 per cent to 0.6p. Last May, when the company launched a £17.6 million rights issue, it said that, barring unforeseen circumstances, it expected a final payout of 1.2p.

The shares fell 1p to 14p yesterday, 19p below the rights issue price. Kunick said that since the issue, its UK amusement machine business, in particular, had continued to suffer from the decline in consumer spending. There was no sign of recovery. The total dividend is 1.4p, down 30 per cent.

Pre-tax profits for the year to end-September fell from £17.5 million to £12.4 million, in line with a warning given by the company in October. Turnover rose from £108 million to £116 million and operating profit fell from £19.3 million to £16.1 million. A rise in net interest payable, from £1.82 million to £3.76 million, explains the lower pre-tax figure. Fully diluted earnings per share fell from 4.93p to 3.1p.

The care services division, which includes Goldsborough nursing homes, increased profits by 86 per cent on turnover up 42 per cent.



It only hurts when we laugh: Russell Smith and Graham Smith, chief executive

The group says growth has been held back by the weak housing market, which has depressed sales of retirement housing units.

The leisure division saw sales grow by 3 per cent but

profits declined by 28 per cent. The amusement machine division was severely affected by the slump in public house trade since Easter. The group says the division's costs have been reduced and the

number of non-public house customers is growing. The visitor attractions division, which includes the London Dungeon, was badly affected by the fall-off in tourism and the full launch of the Musée

du Rock, in Paris, was postponed until Christmas. Amira, the French amusement machine distributor, had a difficult year. Kunick is reinforcing its position in the French market by increasing the number of distributors it represents.

The gearing ratio has fallen from 73 per cent before the rights issue to 50 per cent. £6 million of the cash raised by the issue has been used for development opportunities, particularly in the care services division.

A number of care home and hospital developments were started in the second half of the financial year. Most of these will be completed during the current year, but will not contribute to profits until next year.

Russell Smith, Kunick's chairman, said: "During the first quarter, trading in the UK pub market has continued to decline and there is no sign of recovery. We believe our business is performing well compared with our major competitors. The group's financial position is secure and we are well placed to take advantage of the recovery when it comes."

Christopher Burnett, formerly chief executive of Stentnight Holdings, has been appointed a non-executive director of Kunick.

GrandMet sells 20% Rémy Cointreau stake

BY OUR CITY STAFF

GRAND Metropolitan, the food and drinks group, is selling its 20 per cent stake in Rémy Cointreau, the French drinks company, to Rémy's controlling shareholders. The stake was bought two years ago as a trading investment.

GrandMet has not revealed the cost of the deal but analysts believe the group has broken even. GrandMet is believed to have paid about £100 million in staged payments. The British company had an agreement with Rémy that if it exercised its option to sell at the end of two years it would receive its money back plus a small amount of interest.

George Bull, chairman of International Distillers and Vintners, GrandMet's drinks division, said the stake was acquired as a trade investment aimed at cementing commercial benefits for IDV and Rémy Cointreau. But as both sought to control their own distribution networks, the stake no longer served a useful purpose.

GrandMet recently decided to buy the remaining stake in Cinzano, the Italian drinks group. That deal helped to give IDV full management control of its distribution in Spain, Germany, France and Italy.

Rémy et Associés, the parent company of Rémy Cointreau, said the sale had been agreed by both parties after talks about the worldwide distribution strategies of both. The deal will mean Rémy Cointreau will hold 100 per cent of Rémy Martin and 100 per cent of Cointreau.

Rémy Cointreau will fit the distribution of most of the Cointreau group brands into its European network from April, a move which would also allow IDV to expand its own sales network. Both Rémy and GrandMet said they remained on good terms and expected to give details soon of future trading arrangements.

□ GrandMet's report and

accounts reveal that 28 per cent of the top executives' remuneration is in the form of performance related bonuses. Sir Allen Sheppard, the chairman, received a pay increase of 11 per cent to £713,391, in line with the rise in the dividend. The company's shares fell 1p to 928p.

Dutch aim to buy Ruddles

BY MARTIN WALLER

RUDDLES brewery, one of the best-known real ale brands in the country, may be changing hands after an offer from Grolsch, the Dutch brewer, to Courage, its new owner. Courage acquired the business along with the rest of Grand Metropolitan's brewing interests last April.

Courage said an "interesting proposal" was put to it by Grolsch and talks were continuing. But the company is keen to maintain some interest in the two brands, Ruddles Best and Ruddles County, and any deal could also involve the beer being distributed through Courage's network.

Grolsch has no British brewing interests and limited distribution ones. The brewery, at Langham, Leicestershire, employs 140 to 150 people and produces 300,000 barrels a year.

No price is being disclosed on the deal. GrandMet paid £14.2 million for the business in 1986, but GrandMet and Courage have spent heavily on the brand and distribution.

Michael Reynolds, Courage's director of public affairs, said: "Grolsch have come forward with a proposal that we feel we have to take seriously."

The Royal Bank of Scotland Group plc

"Since 1987 our dividends have increased on a compound basis by 14.6 per cent which compares very favourably with the compound annual increase in R.P.I. of 7.1 per cent over the same period. The recommended increase in our dividend this year reflects not only our strong balance sheet but also the confidence which we have in the future."

George Younger, Chairman speaking at the AGM of The Royal Bank of Scotland Group in Edinburgh Thursday 16 January 1992.



The Rt. Hon. George Younger

HIGHLIGHTS FROM YEAR ENDED 30 SEPTEMBER, 1991

- Strong capital base. BIS ratio of 11.0%.
- Major restructuring of UK commercial banking has reduced staff numbers by 1,200.
- Direct Line is the UK's most successful and fastest growing personal lines insurer, while Royal Scottish Assurance has completed a profitable first year's trading.
- In the United States, Citizens completed the acquisition of the Rhode Island branch network of Bank of New England Old Colony.
- Through our Alliance with Banco Santander, further expansion by CC Bank AG in Germany and by Banco de Comercio e Industria SA in Portugal.
- Inter-Bank On-Line System, IBOS, extended to France.

ANNUAL REPORT AND ACCOUNTS

For a copy of the annual report and accounts, please complete this form and send it to The Secretary, The Royal Bank of Scotland Group plc, 42 St. Andrew Square, Edinburgh EH2 2YE.

Name _____

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The Royal Bank of Scotland Group plc

T/18/1CS

Micrelec receives takeover approach

MICRELEC Group, the cash-rich petrol station equipment company, delivered details of first-half losses along with the news that it has received a takeover approach. The company, which recently sold its Normond/CMS subsidiary for £7 million, said it has received an approach from third parties, which may lead to an offer.

David Willis, chief executive, said: "Although the company has a good future, the opportunities that exist in the market-place could be such that they would be more rapidly addressed as part of a larger group." Micrelec made a pre-tax loss of £442,000 in the six months to end-September (£1.11 million profit). The loss per share was 2.5p (5.51p earnings), but the interim dividend is held at 1.35p.

Berry closes factory

BERRY Magicoal, the electric heater manufacturer that is owned by Unidare, the Irish group, is closing its Hkston factory in Derbyshire with the loss of 190 jobs. Unidare is switching production to Portadown, Northern Ireland, where it makes a similar range of domestic electrical heating appliances, and blames difficult market conditions. David Rutledge, Unidare's chief executive, said the business had lost more than £1 million a year and the factory was no longer viable. The switch in production might result in more jobs being created at the Northern Ireland plant, but this would require evidence of an upturn in the market, he said.

Eurocopy postpones

EUROCOPY, the office equipment supplier under investigation by the Office of Fair Trading, has postponed its full-year figures for the second time. The company is waiting for the result of the enquiry into whether it should retain all important consumer credit licences. The company was due to report next Tuesday; analysts expect pre-tax profits of almost £7.5 million against £11.3 million last time. The figures were first due on December 17. Eurocopy believes a decision is imminent; it says the results will be announced within seven days of publication of the OFT's findings, to avoid further uncertainty for shareholders.

Freeman division sold

FREEMAN Group, the insulation materials company quoted on the Unlisted Securities Market, has sold its loss-making contracting division to a management team. In the six months to end-June, the division made a loss of £880,000, pushing the group as a whole into the red. The losses continued in the second half, the company said. The contracting division's net assets are estimated at £350,000. The four-man management buyout team will repay £2.9 million of debts owed by the contracting division to Freeman Group. There is an initial payment of £571,000 and the balance will be paid this year.

LPA earnings halved

PRE-TAX profits at LPA Industries, the USM-quoted industrial electrical accessories group, almost halved, from £904,000 to £476,000, in the year to end-September, on turnover down 8.1 per cent at £6.49 million. The company blamed the downturn on the UK recession. Exports increased by 30 per cent to £801,000, boosted by a large order from the Far East. Earnings slid from 6.69p to 3.69p per share. The final dividend is maintained at 1.87p, making an unchanged total of 3.52p for the year. LPA said a recovery was unlikely to be felt until 1993, even if a turn in the economy was imminent. The shares lost 4p to 51p.

BUSINESS PROFILE: Ernest Saunders

Still sharp ... and staging a comeback

Carol Leonard considers whether the former Guinness chief is a master manipulator or misunderstood genius

Ernest Saunders, aged 56, the former chief executive of Guinness, found guilty on 24 counts of theft, false accounting and breaches of the Companies Act by a jury at Southwark Crown Court, and sentenced to five years' imprisonment — later reduced by the Court of Appeal to two and a half years — is neither a quivering wreck, nor unduly bitter about his ordeal, and his memory is probably better than yours or mine.

Saunders was released from Ford Open Prison in June last year, having served nine months. He has spent the past six months on what he refers to as a "sabbatical" and is now "feeling much better" and ready to complete his rehabilitation by finding a job.

However, Saunders, who saved Guinness from what is widely accepted to have been terminal decline, increasing its capitalisation from £90 million in 1981 to £4 billion in 1987,

when he was unceremoniously sacked, says he will never again be an employee. "I want to be a part proprietor, not just a manager. I spent so many years making, quite frankly, a great deal of money for other people, that I

want to do it for myself this time. I don't know how it is going to be, I don't know what my old self is any more because I have been in this phase for five years now." He received "a handful" of job offers within days of returning to his home in Putney, south-west London, from Ford, but says he was not then well enough to give them serious consideration.

Medical opinion, he says, is still divided on whether he has a degenerative brain condition — the reason for his early release from Ford — or whether the neurological changes detected were brought about by the "cocktail" of tranquillisers and sleeping tablets he had been prescribed for the previous five years. The sleeping tablet he used has since been

withdrawn from the market. "There is no doubt that there were some side effects but I needed them to help me survive. I came off all pills in June and if you do come off suddenly like that, after that period of time, it can make you quite nervous. That's why I needed a bit of a break," he says.

While Saunders reviews his job offers and carries out "market research" for a number of other projects under consideration, his friends will readily tell him, even now, that he is definitely not his old self. The experiences of the past five years have changed him and, they say, for the better.

Peter Phillips, a friend of 20 years, says: "He has always been razor sharp and he is still razor sharp. He is different in that he is poorer — he used to arrive for lunch with a chauffeur, now he comes by tube — and he is much humbler. There was a time when I had to make an appointment to see him and even then he was permanently preoccupied. If you went to a dinner party, at his house you never knew if he was going to join you, even if he was at home, because he might be on the telephone or working on numbers. Now, he is much easier to talk to

and he is much more interested in what you have to say." Anyone who encountered Saunders in his heyday will use the same words to describe him. I tell him that people say he was difficult, arrogant and manipulative. He is obviously taken aback. That he was a workaholic, ambitious and a bit of a bore, "In business I have usually achieved my goals. I do think very deeply and often appear preoccupied, but I'm far more sensitive than people think. I get hurt easily but I cover it up."

Saunders prides himself on being supportive of anything British. Like most immigrants — he arrived in Britain in 1938, aged two and a half, a refugee from Hitler's Vienna — he is more loyal

than the natives. He constantly mentions public schools, both his own, St Paul's, and his children's. He talks about Cambridge tutorials. He watches Wimbledon and the test series on television. Lectures at business schools, and is adamant that he is not Jewish, even though both his parents were of Jewish origin. "I'm a supporter of the Church of England," he says. He will move to the continent to seek work if he has to — he is fluent in French and German — but he would prefer to remain in Britain.

If there is anything positive from the past five years it is that the family has become extremely close. It is the desire to keep hold of that which has precluded me from getting on a plane to seek pastures new. The children have not only salvaged the family unity, but they have put down roots here. "The Saunders family was not always so close

Phillips also comments on the loyalty of Saunders' three children. Jo, aged 26, Jamie, 25 and John, 19. Jamie wrote the book *Nightmare: The Ernest Saunders Story*, which helped eke out the family's finances for 18 months. "The kids have been unbelievable," Phillips says, "especially when you bear in mind that when all this happened they didn't really know him that well."

The money from the book has run out. Saunders has been signing on the dole once a fortnight but says that will now stop. Of the £700,000 raised from the sale of the family home in Penn, Buckinghamshire, in 1987, half went to Carol, his wife, from whom he is still legally separated, a quarter went to buy the terraced home in Putney for Jo and Jamie and the rest was spent on legal fees. "I have no money whatsoever," Saunders says. His defence, which cost him £400,000, could

have cost more than £3 million if he had used silks of a calibre to match the prosecution. He admits that the only time he does feel bitter is when he drives past the Guinness headquarters. "I've had hundreds of letters from Guinness shareholders thanking me for all that I did for the company, wishing me well and saying they assume that the Guinness family has helped out. They have not."

Poverty is always a relative term. The Putney house might be in the name of two of his children, but it was bought with his money and there is no mortgage. He carries a mobile telephone everywhere. He must be one of the few regulars at Putney DSS office with such a device.

In the light of the millions he made for the Guinness family — the company is now capitalised at more than £10 billion — he does, however, have a point. Saunders' share options alone would now be

worth £11 million. The shock of the trade and industry department enquiry at Guinness in December 1986 — Saunders calls this his darkest hour — was followed by a four year wait for the trial. The stress has taken its toll. He likens it to an avalanche "coming my way and then overwhelming me."

He is uncertain about whether he suffered a mental breakdown. "Let's just say I was severely mentally shocked." He can recall lying in bed at night shaking uncontrollably "because I was so scared." While staying with friends one weekend, he failed to appear for dinner and they found him semi-conscious in the bath. "I was completely exhausted and had gone to have a bath because I felt so cold. They found me lying there in some sort of trance, shivering. The water had gone cold. I suppose it was fear — fear and fatigue." He describes Ford as a cross between boarding school

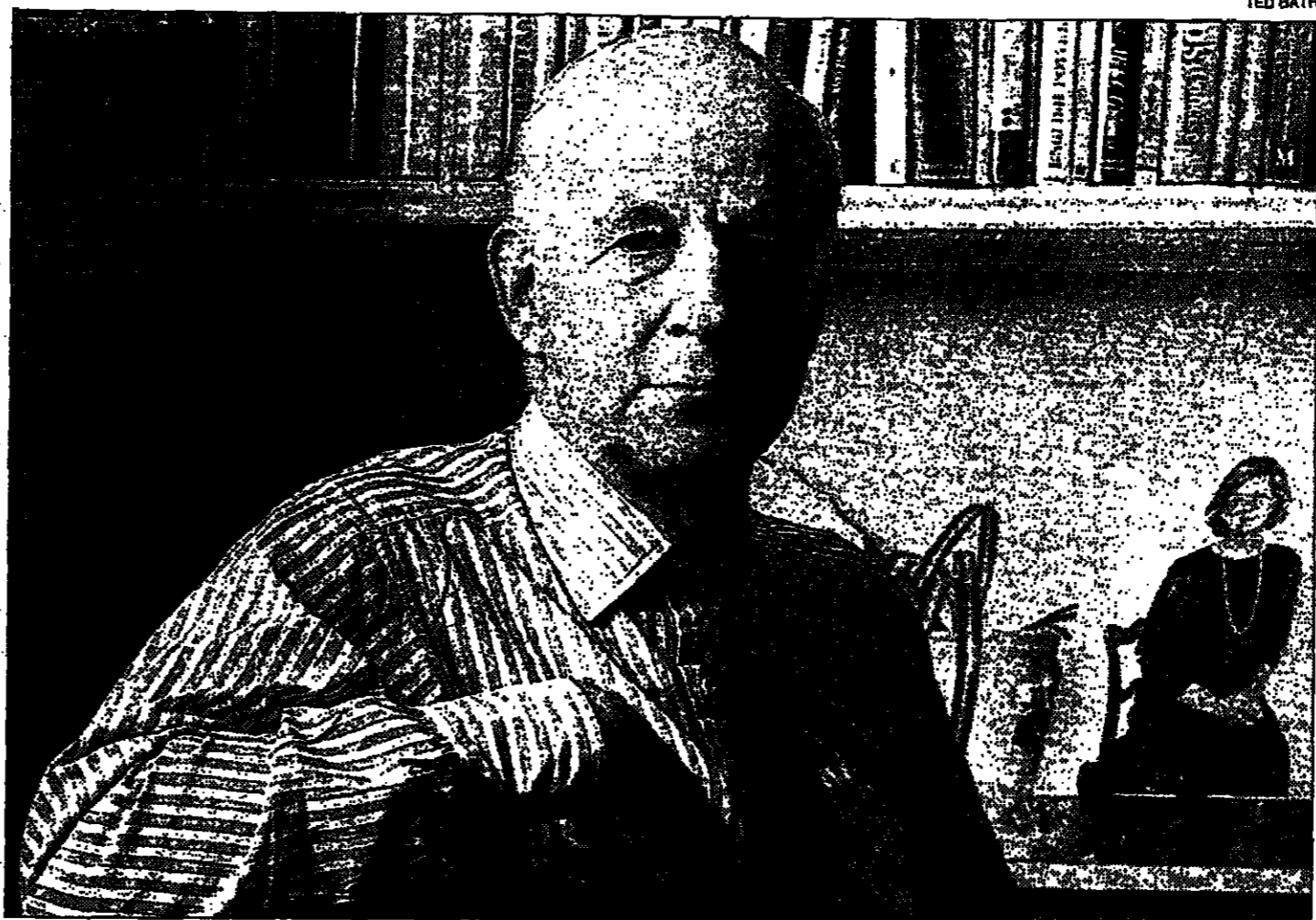
and national service "but that is not something you expect to be doing when you are 50". One noticeable difference from either boarding school or the army was the cheer that would go up among inmates when interest rates were increased. "They would gleefully shout things like 'That's another £600,000'," Saunders says.

Carol, who lives in Switzerland, suffered two breakdowns. She is now much, but not fully, recovered. She visited Saunders at Ford and has been back to Britain several times since June. He is hopeful that if he can buy her a home here they will be reconciled.

Saunders admits he made some mistakes. "I was so focused on the business, the Herculean task to be achieved, that I am now only too willing to believe that I did not spend enough time on the niceties of life. I am the sort of person who always thought that the results should speak for themselves. It is quite possible people found me tough or cold. I was a machine."

Here Saunders has it. He was neither a ladies' man nor a man's man, he was the ultimate company man. Company men are not popular. When it came down to basic human relationships, Saunders was dispensable. If his theory that he was unfairly used as a scapegoat is correct, this could explain why.

I try to warn him but it is difficult. If he has any overt personal appeal it is akin to that of an awkward adolescent. In conversation, if there is a choice between a serious or a more humorous route, he will unfailingly opt for the former. He smiles readily but is not a man given to belly laughs. I begin to conclude that it is this unfortunate manner that may have led to so many fateful misunderstandings. Or have I been duped by the master manipulator? No, I believe I have not. He offers to answer any question I pose. As he takes centre stage, it becomes apparent that it is the absence of natural social grace that makes any attempt at persuasion seem like crass manipulation. A more naturally charming person would attain the same objective with ease. The marketing genius has one flaw. Saunders, when you accept him for what he is, is astonishingly open, surprisingly honest and, mental aberrations aside, is so serious about every aspect of life that it is difficult to imagine him ever having been anything else.



On the road to recovery: Ernest Saunders, at home in Putney, sees finding a job as the final step in his rehabilitation

WEEK ENDING Matthew Bond

Are you now, or have you ever been...?

As the television camera closed in, there was no mistaking the very real distress being experienced by the victim. The prospect of being grilled by a House of Commons select committee was clearly bad enough, but the knowledge that the camera's zoom lens would mercilessly expose every bead of sweat and nervous tic to an audience of a million anxious judges, was almost too much to bear.

Just as a rabbit sits entranced by the headlights that herald its own imminent demise, so the victim was unable to wrest his eyes away from the camera that he knew could result in the same fate, albeit less messily.

Against the background babble that preceded the first question, the victim sat in silent thought, reflecting for the umpteenth time on the extraordinary circumstances that had brought him here. The deliberate clearing of a throat jolted him out of his introspection.

"Please state your name and your position," boomed the committee's chairman, an experienced backbencher relishing this unexpected elevation in his public profile.

There was a long pause, as the victim's frightened gaze was torn away from the camera only to fix anew on his own hands, tying tightly grasped on the desk in front of him. The first attempt at a response was muffled.

"Speak up please," barked the chairman, before breaking into his best eye-of-the-tiger smile. "And relax sit, this is a parliamentary enquiry into a matter of great public interest, not a criminal trial. Now, your name and position, please."

With an anguished final glance to left and right, the victim summoned a huge breath. "My name is Peter Birch and I am chief executive of the Abbey National."

An audible sigh of release washed round the crowded committee room. He'd got one right, at least.

The chairman cleared his throat. "Now, Sir Peter... I beg your pardon, Mr Birch, I



am right in believing that it was your building society — I mean bank — that cut its mortgage rate by half a percentage point this week?

"This cut came despite there being no preceding cut in bank base rate and I believe came as a considerable surprise to City economists. Now we must put it to you that this totally unwarranted rate cut was in fact the most blatant piece of engineering on your part. What do you have to say to that?"

Again, there was a long and agonising pause. At least they had not asked him about progress on the scheme to relieve the repossession crisis. Mr Birch thought gratefully. Sensing the kill, an unseen director ordered the cameras in tight. Mr Birch spoke slowly but clearly. "I will answer only through my counsel."

The packed committee room gasped as one. Here was drama. The chairman smiled a rather different smile and pressed on. "Mr Birch, I must emphasise that this is a matter of the utmost importance to millions of home owners, who are very concerned that if mortgage rates can come down arbitrarily this side of an election, then equally they can go up arbitrarily on the other. Is that not so, Mr Birch?"

"I will answer only through my counsel," intoned Mr Birch. At that moment an

extremely well-dressed and prosperous looking individual slid into a vacant chair. "If I might address the committee," he began oleagiously. "I act for Mr Birch and I must humbly warn the committee that it is pursuing a sterile route. My client will respond in similar vein, no matter how elegant your questions. If, however, you would like to address your questions to me, I will do my best to answer them."

"There will be a brief recess," announced the chairman, summoning the committee into an emergency huddle. On the other side of the desk, Mr Birch visibly relaxed. A quiet chuckle was even allowed to emerge, as he filled the brief, idle moments by reading the latest results from the TSR Group.

Noisier chuckles came from his counsel, who shook his head in amazement as he skimmed through David Rowland's proposals to reform the Lloyd's insurance market. "Splendid," he thought, "now the only real unlimited liability will be a client's legal fees," and made a mental note to double his underwriting capacity once he had been paid for that little bit of insolvency work.

The huddle broke up and the committee members resumed their seats. "We have considered your argument, but find it has no merit. So we must ask Mr Birch once again. Your cut means mortgages are now at their lowest since 1988, a period now widely regarded as the birthplace of our economic ills. Is it really wise to tread that path again? In short, Mr Birch, your cut is simply a device to aid the Conservative chances in the general election?"

Mr Birch again looked unhappy but remained silent. Not so his counsel, who fixed the committee with his most condescending of courtroom glares. "Chairman, committee members. In my judgment, I say only two things. One that a general election is likely and two, that it is likely soon." How true.

Germany to tighten financial regulation

BY WOLFGANG MÜNCHAU
EUROPEAN BUSINESS CORRESPONDENT

GERMANY'S attempts to improve its position as a leading financial centre have always created more interest abroad than at home. Such was the fate of the latest legislative proposal by Theo Waigel, the finance minister.

Herr Waigel's proposals, unveiled this week, are the latest of a number of moves to eradicate some of the idiosyncrasies of Germany's sometimes outdated financial system. The singularly most important aspect of the Waigel package is the envisaged creation of a powerful federal regulatory authority, on the lines of America's Securities and Exchange Commission.

Such an authority is long overdue. Until a year ago, German bankers and brokers derided the idea of statutory regulation, denouncing the self-regulatory system, under which insider dealing is discouraged but not illegal.

But a series of embarrassing insider dealing scandals last year severely dented the image of Germany's banks abroad, and persuaded even the die-hard self-regulators of the virtues of statutory control. The law will go to parliament in the second half of the year, just in time for the single European market in 1993.

Preservation of Germany's reputation aside, such a law would have been needed under European Community harmonisation.

Britain and America went through the same processes several years ago, so Herr Waigel's initiative means no more than that Germany is catching up with the rest of the world. Investors will welcome the growing maturity of the German financial scene, but it must be doubtful whether Frankfurt will ever have a realistic chance of challenging London as Europe's main financial centre. The gap is far too big. The odd thing is that in London some fear it might happen, while in Frankfurt hardly anybody nurtures such hopes, even in their wildest dreams.

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Choosing the fixed-rate option

The half per cent cut in mortgage rates announced this week is good news. It is the seventh cut in 16 months, but the new base rate of just below 11 per cent still falls short of many of the fixed-rate mortgages on offer.

Fixed-rate loans offering certainty over the next three, five or ten years must be considered by anyone thinking of buying a property. The Abbey National, which led the way down with its surprise cut in its base mortgage rate to 10.99 per cent has a fixed-rate mortgage available at 10.55 per cent until 1995.

Those expecting rates to keep falling back to the levels of the summer of 1988 must also remember how most homebuyers only benefited from rates below 10 per cent for three months before they began climbing again.

There are, of course, cheaper rates for larger loans and first-time buyers, which, when added to the current variable rates, take them below the fixed-rate offers. However, the majority of the Abbey's borrowers have loans

below the £60,000 threshold for cheaper loans.

Even first-time buyers might weigh the advantage of a loan 1.5 per cent below the usual variable rate until January next year — possibly only nine months of cheaper payments for someone who has just found a property he or she wants to buy — and the certainty that payments will not rise over the first few years of the loan.

For those who want it both ways, capped-rate mortgages are the answer. These are available as low as 9.95 per cent over one year. Longer-term certainty that the payments cannot rise above the capped level although they can fall below it is more expensive. This shows that the money markets do not expect low rates to last over the next few years.

The real winners in the property game were those who took out



COMMENT

LINDSAY COOK
WEEKEND MONEY EDITOR

fixed rate loans below 10 per cent over five years in 1987. They can now look at the fixed rates on offer, probably from the same lender, and take advantage of them.

There are penalties for early redemption but the last few years have shown that property owning is a long-term commitment and not a quick way of making tax-free gains.

The real losers in the interest rates merry-go-round are savers. Once again, they face a cut in their rates and, because they know that building societies have few

people to lend to at the moment, they must fear these reductions may more than reflect the mortgage rate cuts.

The new savers' rates are not likely to be announced for a few weeks, but they could be implemented a few days earlier than the mortgage rate cut for existing borrowers on March 1. It would not be the first time that savers have paid for the largesse of lenders.

There are at least six savers for each borrower. Fixed rates, if they are available, are more of a gamble at the moment. Only

National Savings' guaranteed returns seem attractive and that is largely because anyone putting £10,000 in the 36th issue pays no income tax on it.

Ill wind

Total financial disasters — especially well publicised ones — provide wonderful sales aids for investment advisers. Barely had the pension trustees at Mirror Group Newspapers announced that there was insufficient money in the fund to guarantee the pensions already being paid, let alone anything else, than pension salesmen started saying now was the time for those worried about their company pension scheme to save with them. They neglected to point out that the only part of the pension money to be totally safe over at Mirror

Group was the additional voluntary contributions paid by employees to boost their retirement income.

These can only be used for the individuals concerned and are in no danger of being used to pay the pensions of others.

Investment groups had thought that freestanding AVCs were next to impossible to sell until this gift was handed to them. The group AVC schemes offered by employers usually have much lower charges because the setting up costs per contributor are much lower.

Big companies can also negotiate on charges, whereas individuals have to accept any fee structure unless they are wealthy.

While pensions law undoubtedly needs tightening up, scaring people out of company schemes into personal pensions is not doing anyone a service — apart from the insurance companies that are busy announcing increased pensions business in the middle of a recession. It's an ill wind...

National insurance payments could double if the state chooses 60 for men and women

Pension age poses dilemma

Sara McConnell focuses on the choices open to government in the continuing debate over equalising retirement ages

WORKING people could face a 50 per cent increase in national insurance contributions by the year 2010 if the government decides to set the state retirement age at 60 and raise state pensions in line with earnings rather than prices. The rise would come on top of income tax.

Mercer Fraser, the actuary, which has calculated these figures, said that to avoid any rise in national insurance contributions, the retirement age for both men and women would have to be set at 67. At the moment, men qualify for a state pension at 65, while women start collecting their pensions five years earlier.

Doubts over the future of pensions for employees of the Mirror Group have dominated the news this week, overshadowing the debate about the future of state pension provision. High on the agenda are options for equalising state pension ages.

The government has said it is committed to some form of equalisation, but is faced with the prospect of growing numbers of pensioners making heavy demands on a national insurance fund fuelled by contributions from fewer workers in the first decades of the twenty-first century. Any reduction in the retirement age would mean higher national insurance contributions from the workforce.

Employees now pay 9 per cent of any income above £52 a week, up to £390 a week, in national insurance contributions. Employers pay a further 10.4 per cent but if the retirement age were 60 for everyone, employers would have to pay 16 per cent and employees 14 per cent, Mercer Fraser said. The total national insurance contribution per worker for a lower retirement age and a better uprating would be 30 per cent of gross annual income.

Andrew Collins, research actuary at Mercer Fraser, said that about 18 per cent of national insurance contributions now go to fund flat-rate and earnings-related pensions. The social security department estimates the national insurance fund will spend £41.7 billion on benefits in the financial year 1992-3, of which £27 billion will fund state pensions. As soon as contributions are

paid into the national insurance fund, they go out again to fund pensions or other benefits. If men could call on the fund five years earlier for their pension, the remaining workforce would have to pay more to compensate. It would also cost the existing workforce more if pensions were increased in line with average earnings rather than prices, as they are now.

The option highlighted by Mercer Fraser would be the most expensive of several being examined by the government. Others include raising the pension age to 65 for women, which would save the state £2.9 billion a year at 1991 prices, or setting it at 63, which would mean a saving of £0.5 billion. Also under consideration is a flexible decade, allowing people to retire at any time between 60 and 70. The government has been forced to consider the options available in the wake of the Barber judgment in the European Court in May 1990, which ruled that occupational pensions were part of pay and men and women should receive equal benefits. Companies are starting to equalise pension ages but many are hanging back to see which way the government moves on the question.

In a report issued last December, "Options for Equality in State Pension Age", the government calculated that setting a retirement age of 60 for everyone would cost the state £3.4 billion a year at 1991 prices. All the government calculations assume a phasing-in period, starting in 2010. The report gave warning that a pension age of 60 would mean an increase of 2 per cent in combined employee-employer contributions in 2025 and 1.5 per cent more in 2035.

Mercer Fraser pointed out in an update to its clients this week that these figures presupposed that pensions would be uprated in line with prices as they are now but that this could change. If



Labour wins the election, it has pledged to raise pensions in line with earnings or prices, whichever is higher. Uprating in line with earnings would double the cost of pension provision to the state over the next 20 years to £40 billion, assuming a 1.5 per cent growth in real average earnings, whereas the cost of uprating in line with prices would be about £38 billion, the government report said.

The level of state pension age and the cost of pension provision is being debated against a backdrop of growing numbers of pensioners being supported by fewer people of working age. By 2010, there will be only 3.1 people of working age to support each pensioner instead of 3.4 per cent today. If men had the right to their pension at 60, there would only be 2.6 working people per pensioner. There will be about 11.3 million pensioners in 2010 against 10.3 million this year.

The only way to avoid extra national insurance contributions is to raise the retirement age for everyone to at least 65. Mercer Fraser said that by 2010, with no equalisation of retirement ages, employers and employees would face a total tax of 25 per cent of annual salary if pensions were uprated on line with

earnings, and 18 per cent if the uprating was based on prices. If everyone retired at 67, the tax on an earnings basis would be cut to 17, while the payment would be only 12 per cent on a prices basis.

Other pensions experts agree that the combination of a declining workforce and a reduced pension age would be expensive to fund. Roger Key, a partner at R Watson, the actuary, and a member of the pensions committee at the Institute of Actuaries, said: "If the retirement age is 60 and the earnings link is restored, it will have quite an effect."

"It has immediate political repercussions. Restoring the link with earnings will not initially have much effect unless it is backdated but the cost will go up because the number of pensioners is increasing rapidly while the number of workers is not."

The government is torn between the political advantage to be gained from announcing a reduction or increased flexibility in retirement ages and the cost of such a move.

Ron Spill, pensions controller at Legal & General, said: "Full state pensions at 60 linked to earnings would be a big bill and would be approached gradually. But the trend is towards raising retirement ages and I believe the scenario of pensions at 60 is improbable, despite popular support for the option."

The date set for comments on the government's report is June 30, almost sure to be safely after a general election.

'I believe the scenario of pensions at 60 is improbable, despite support for the option'

Europe battles with costs

BRITAIN is one of only four countries in Europe which do not have the same retirement ages for men and women, but like its European partners, it is struggling to find ways of reducing the cost of pension provision. Several countries have already made drastic changes by raising retirement ages and increasing contributions (Sara McConnell writes).

Greece, Portugal and Italy still have split retirement ages, according to the latest annual report on pensions in Europe from Noble Lowndes, the actuary. Greece allows women to retire at 60, and men five years later, as in Britain. Italy is at present more generous to all its working population, allowing men to take a pension at 55, women to retire on a full pension at 55. Portugal lets women retire at 62, men at 65. All other European Community countries have one retirement age,

ranging from 60 in France and Belgium to 67 in Denmark.

Last year, amid much public protest, the Greek government lengthened the minimum time someone had to work to qualify for a state pension and the final average pension is now based on the last five, not the last two, years' salaries.

Both Italy and Portugal are planning to take action on serious difficulties with the funding of their pension provision. Proposals under consideration by the Italian government will raise the pension age to 65 for both sexes by 2016, moving up in increments starting next year, increase contributions and increase the length of working life needed to qualify.

Figures from the British government included in its report, "Options for Equality in State Pension Age", show that 35 per cent of Italy's population will be over 65 by 2040, while the

working population will fall by 15 per cent. Nearly 23 per cent of France's population will be over 65 by 2040, compared with 14 per cent now.

Some of the most draconian measures to ease funding difficulties were adopted by Germany in 1988 and will be progressively implemented from this year. By 2005, German women will have to wait until they are 65 before they can draw a full state pension, an option which is also under active consideration in this country. The German government has also increased contributions but the pain is eased slightly by an increase in the government subsidy.

Spain has also taken steps to lighten the financial burden of pensions on its working population over the last 10 years by freezing its maximum pension, lengthening the period of final average earnings on which the pension level is based, and withdrawing early retirement.

Company schemes choose to level up

MORE than half of all company schemes now have one retirement age but most have raised that for women to 65 rather than reduce the male pension age to 60, the National Association of Pension Funds said this week. Some companies which have not changed are waiting to see which way the government will move on state pension ages.

The 1991 annual survey on company pension schemes run by NAPP members will be published at the end of the month. The NAPP said: "Preliminary indications are that the number of schemes equalising pension ages is continuing to increase and the majority are equalising at 65."

The most recent figures, for 1990, showed that 53 per cent of NAPP members had equalised pension ages for their employees but of these, 45 per cent had set the age at 65 while only 40 per cent had set it at 60. This trend is continuing, said the NAPP. A further 10 per cent had set it at 62 for everyone and 5 per cent had compromised at 63.

Many women employees could find the transfer value of their pension eroded by between 25 per cent and 30

per cent if their employer decides on a standard pension age of 65, pensions experts have warned. Ron Spill, Legal & General's pensions controller said: "A pension paid earlier is more valuable than a pension paid later and transfer values reflect this."

Employees who have contributed to their company scheme, then leave the company before they reach retirement age can either leave their pension where it is or transfer it to another scheme, in which case it will be given a transfer value.

But transfer values are not guaranteed, and many schemes are not compelled to keep to the original terms. Mr Spill said: "If everyone agrees to change the pension age, they could also be agreeing to change transfer values and other benefits."

Others are more optimistic

that most companies will safeguard transfer values. Roger Key, partner at R Watson, the actuary, said: "In a lot of cases transfer values will be safeguarded. A lot of pension schemes have restrictive amendment provisions which means they cannot change the scheme so that benefits already clocked up cannot be made worse. Most schemes will not allow this for past service and a lot will also safeguard future benefits."

None of this applies in cases where there is not enough money in the pension fund to meet liabilities. Employees have no right to even a smaller transfer value, as Mirror Group employees discovered this week.

Under the 1985 Social Security Act, the rights to a transfer payment can be overridden if a pension fund has been plundered, badly invested or if the company has not handed over its contributions or those of employees.

The NAPP said this was to avoid the case of members getting their transfer values on a first come, first served basis, so that the first to apply receive their full transfer value and those applying later only a proportion of their theoretical entitlement.

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Friendly word for lending groups

THE number of credit unions has increased more than 50 per cent to 317 in the 21 months to the end of September.

However, Rosalind Gilmore, chief registrar of friendly societies, gave a warning this week that the attractions of the lending organisations, which, by law, cannot charge more than 1 per cent interest a month (annual percentage rate 12.68 per cent), may be leading people to set up the unions without sufficient planning.

In 1990, 72 new credit unions were registered, and 44 in the first nine months of last year. Since then, the number of new unions has remained buoyant. Credit unions are financial co-operatives set up by a group of neighbours, people who work together, or members of the same organisation. This "common bond" should mean that loan repayments are kept up because borrowers do not want to let down people they see regularly.

It also enables the lending committee to assess the ability of a member to repay a loan. Often members would

Credit unions are mushrooming, but enthusiasm alone is not enough. Lindsay Cook reports the anxieties of the registrar

not be able to borrow from banks because they would not score enough on the credit-rating schemes operated.

Mrs Gilmore said in the annual report of the registry of friendly societies, which registers credit unions and monitors their activities, that there was a danger that "the enthusiasm and energy which marks the launch of a credit union is prone to diminish with time. It is imperative that those responsible for promoting credit unions ensure that there is not only committed management in place from the start, but also a reserve of trained individuals who can step in. Management of credit unions is an onerous responsibility — that of ensuring that members' funds are safely stewarded."

One aspect of this stewardship is to keep the registry

fully informed and to submit regular financial returns. In the past few months, the registry has prosecuted eight credit unions for not submitting the quarterly and annual returns on time. Seven were convicted and one was given a conditional discharge. The fines were small, totalling £420 with a further £580 in costs. During the year, a total of 13 societies were convicted, the report says.

An attempt to set up a compensation scheme for savers with credit unions failed during the year to September 1990. The discussions did not get so far as to suggest a percentage of savings that could be safeguarded. Building society savers, for example, are guaranteed 90 per cent of the first £20,000 of savings. There is no protection for credit union

savers who are generally happy to earn interest of 3 to 4 per cent on their credit balances because saving opens the way to loans of up to £5,000. Derek Lee, registrar of friendly societies, said that usually, the loans advanced are in the low hundreds.

Members save by investing in the society's shares. By law, credit unions can pay up to 8 per cent on deposits but Mr Lee said that most do not pay anything at all to start with and then pay 3 or 4 per cent.

"Most people join to be able to borrow, but they have to build up a credit balance first. They are usually happy to suffer a relatively low interest rate as the balances are small and the losses are therefore very small," he said.

There are currently about 50,000 members of credit unions, with the growth mainly concentrated in urban areas. About two-thirds of the unions set up over the past decade are in West Yorkshire (33 new unions), Tyne & Wear (29), Merseyside (28), Greater Manchester (27), Greater London (26) and West Midlands (25). Strathclyde accounts for 49 of the



Onerous responsibility: Rosalind Gilmore

66 Scottish unions registered at September 30. There are six credit unions in Wales.

Four unions ended the year effectively closed down by directions prohibiting or re-

stricting their activities. They were the Antilles Credit Union, the Enterprise Credit Union, Viewpark Credit Union and ACFE (Nottingham) Credit Union.

Trusts jump at loophole in Peps rules

By Sara McConnell

COMPANIES are eagerly courting investors for their new investment trusts by offering them the chance to put up to £12,000 into personal equity plans linked to the trusts. All income and capital gains from investments in Peps are tax-free.

Scottish Amicable and Lloyds bank have launched new investment trusts. Because of a loophole in the Peps regulations, these count as new issues, and investors can put the whole of their £6,000 annual allowance into an investment trust within a Peps as long as this is done within 42 days of investing.

Both companies are offering the option of putting in £12,000 in one go, £6,000 for the Peps year 1991-2, which ends in April, and £6,000 for the following Peps year, 1992-3, to qualify under the 42-day rule. M&G has already written to potential investors in its new recovery investment trust Peps, offering them the opportunity to take out two Peps at the same time if they register before March.

John Wright, at Lloyds Investment Managers, said the

bank was hoping to raise "somewhere around £30 million" during the subscription period for its new split-capital smaller companies trust. The closing date for subscriptions is February 7.

Scottish Amicable will launch its smaller companies investment trust on January 22. As with Lloyds, investors will be allowed to put £12,000 into a Peps in one go because the investment trust is a new issue. Those who invest before February 27 will be issued one warrant for every five shares. These are redeemable at the opening price of the shares at a later date.

The Exeter Preferred Capital Investment Trust, sponsored by Greig Middleton, the stockbroker, will also allow investors to take advantage of the Peps rules for new issues. It is hoping to raise £60 million in the public offer, open until January 23.

The Fleming Income and Capital Investment Trust is likely to set itself a target of £50 million from investors. Again, investors can put up to £12,000 into this trust for this Peps year and the next.

NATIONAL Provident Institution (NPI) has cut payouts on ten-year endowment policies maturing after January 1 by 8.8 per cent, while the payout on 15-year endowment policies has fallen 2.8 per cent. The payout on a ten-year policy into which £30 a month has been paid is £6,003, down from £6,581. The payout on a 15-year policy will be £14,406 instead of £14,825. Payouts on 25-year endowments will be £51,969, the same as those set at a review last July.

Applicants for life assurance policies from Guardian Royal Exchange will find processing times cut as the company is cutting down on the

number of private medical attendance reports doctors need to complete. GRE will issue a range of supplementary medical questionnaires to be completed by policyholders instead of asking the applicant's doctor to fill in the form.

The Scarborough Building Society has launched a new page fixed for one year at 9.95 per cent (an annual percentage rate of 11.9 per cent), until March 31, 1993. There is a penalty of three months' interest for redemptions in the first two years but this is waived if a borrower transfers to another scheme with the Scarborough. There is an application fee of £75.

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It is a long wait behind the liquidator

BCCI may be the biggest and most complex corporate failure, but even with quite straightforward businesses creditors often have a long wait for very little. Liz Dolan finds out why.

NEWS this week that the Bank of Credit and Commerce International was to be wound up raises the thorny question of just how much depositors can hope to get back after the liquidators have taken their share of the assets, and how long it will take before the whole business has been completed.

Fees payable for work completed in the UK so far in the BCCI liquidation have already reached £50 million, according to Touche Ross, the provisional liquidator, which at its peak had 330 partners and staff working on the case. The affair is expected to continue well into the next century.

The Consumers' Association is also worried about the time such cases take, especially where compensation schemes are concerned. Some of the depositors caught up in the BCCI affair face real hardship, even bankruptcy. They are due up to £15,000 compensation from the Depositors' Protection Fund, but will have to wait until at least the end of this month for their money. The bank stopped trading in July.

Jane Vass, the association's research manager, said: "These schemes should be empowered to move more quickly. At the moment everyone has to wait until the company has actually gone into liquidation. We think there should be some way of paying cases of real hardship much earlier." The association

is also lobbying to get the ceiling for compensation paid to bank depositors raised from £15,000 to £100,000, and then inflation-linked.

The BCCI affair is unique, according to Touche Ross. It is the largest and most complex corporate failure in history, involving regulatory authorities in 60 countries. The liquidator's best estimate is that only 40p in the pound will ultimately be recovered, and depositors will not see even that amount until 1994.

However, much less complex cases involving purely UK-based companies have taken well over ten years to unwind. Christopher Morris, BCCI's official liquidator, has yet to close the books on a Sumatran rubber company that collapsed in 1949. Ian Bond, president of the Society of Insolvency Practitioners and a partner in Cork Gully, the insolvency firm, is still grappling with problems associated with the collapse of the International Credit Bank of Geneva, which went under in 1976.

Several readers involved in liquidations have asked why such operations cost so much, and take so long. Frank Paton, of Bridgewater in Somerset, received 12.8p in the pound as an unsecured creditor of a firm which went bankrupt in December 1989. The liquidators got 32 per cent of the available assets. He said: "I understood the liquidators were appointed to

protect the interests of creditors."

Another reader, Robert Arguile, lost £261 when Mears Brothers Holdings, a publicly quoted civil engineering firm in which he had shares, went into voluntary liquidation in the late 1970s. He said: "I still get a report every year from the receivers saying 'Don't tear up your certificates, there's still hope.' I cannot comprehend why they have taken so long to sort it all out. They really are the most dilatory people. I'm not bothered for myself. I lost very little money. But what about all those people who lose their life savings when companies collapse?"

Mr Bond said: "The length of time taken depends on a number of factors. I have had some jobs where my fee has been less than 1 per cent of the assets, and creditors got 95p or even 100p in the pound. In others, the reverse has happened." In most cases, it was reasonably simple to agree on who had a claim on the business and to get initial payments under way.

"The real problem comes when assets then have to be realised. For instance, you may have a stretch of land in, say, Oklahoma, with planning problems. Before you can sell it, you have to establish the rights to the property, then you have to find a buyer, pay the appropriate taxes and get the money out of the country before you can even start thinking about dividing up the proceeds."

Costs paid to the liquidators had to be approved by the creditors, he said. "We don't just write out cheques to ourselves. The creditors aren't



Credit line: protest by BCCI staff and depositors

our buddies. They are the ones who have lost the money and they are going to be concerned about what is happening to the remaining assets.

Liquidators are paid according to five criteria: the complexity of the case, the effectiveness with which liquidators carry out their duties, the level of responsibility in-

olved, the value of the assets, and the time taken to unravel the case. Fees paid range from £15-£20 per hour for junior staff to more than £200 per hour for senior partners. The bulk of the work is carried out by people earning £75 per hour.

Mr Bond calculates that payments made to liquidators average 10 per cent of the total of realisable assets.

Only 11,400 of the 32,000 depositors on BCCI's UK books have applied for compensation. The view, both in the City and in Whitehall, is that many of the rest have something to hide and are unlikely ever to reclaim their money. If the same occurs in other countries, the "honest" claimants will get a larger slice of the cake than they could otherwise have hoped for.

People who have shares in companies that go into liquidation come right at the end of the queue when the assets are divided up. They are unlikely to end up with anything at all. If there is any money left over for shareholders it is because the value of the assets is much higher than suspected at the time of liquidation. During a property boom for instance, the liquidators may be able to sell assets for very much more than anyone thought possible.

BES company to take on 150 homes for rental

THE Mortgage Corporation is repossessing some of the losses made on repossessions by selling 150 of the properties on its books to a company backed by a Business Expansion Scheme (Liz Dolan writes).

The properties are a mixture of those that have already been repossessed, and those whose occupants are currently facing eviction for non-payment. They will then be rented out either to new tenants, or to any existing occupants able to meet the new rental requirements. Suitable existing occupants are being informed of the scheme and asked to apply.

Smith & Williamson, the sponsor, is looking to raise up to £15m. Investors pay a minimum of £1,000, and any more in multiples of £500. Under BES rules, standard-rate taxpayers can then claim back 25p per 100p share and higher-rate payers 40p. Investors pay issue costs of 6.75 per cent of the funds raised.

Cavendish Home Investments, the company running the scheme, says it will make a minimum distribution at the end of the five-year term of 137p a share. The properties will be sold back to TMC at the end of the period unless the company decides it can get a higher return by selling them on the open market. For this to happen, house prices will have to have risen by more than 5 per cent in each of the five years.

A similar scheme set up by Johnson Fry recently was rejected by the Inland Revenue because letting agreements

were already in place before the properties had been sold on to the BES company. According to Gareth Pearce of Smith & Williamson, no such problem would occur in this case because TMC was selling the properties on to Smith & Williamson before tenancies were offered to existing mortgagees.

He added that tax certificates would be sent out to investors after the minimum four-month period after the scheme gets underway.

TMC is also preparing to launch two other initiatives aimed at cutting down on the number of repossessions on its books. It is discussing with a number of housing associations a scheme whereby it leases properties to the associations for an initial period of between one and three years. Under the scheme, TMC receives a rental stream, while the housing association would be paid a fee for managing the properties.

A spokesman for TMC said: "We are not looking to simply defer the problems of homeless families. The housing associations will select people whose circumstances are appropriate to this type of letting." The corporation is also planning to launch a service called JobCare, which will advise TMC borrowers who are not yet in arrears with their mortgage, but are worried that they may soon lose their jobs. JobCare will be run in conjunction with TMC's existing MoneyCare debt counselling service for borrowers already in financial difficulties.

Holiday plan offers 'undersold' refunds

BARCLAYS is offering its own version of one London department store's proud promise. "Never knowingly undersold" (Sara McConnell writes).

For the first time, the six-year-old Barclaycard Holiday Club will refund the difference if cardholders buying a holiday through the club find the same trip at a lower price within seven days of booking.

Those who book their holiday by post or by telephone, and pay the deposit and insurance costs by Barclaycard, can claim between £20 and £500 free holiday spending money. The balance of the holiday cost can be paid by cheque, cash or credit card.

Holidays from more than 50 tour operators, including Inghams, Thomsons, F&O

and Brittany Ferries, qualify for the deal. Two adults and a child travelling to Crete this July for 14 nights bed and breakfast with Falcon would get £60 spending money to help with the £960 cost. Two adults taking a 13-day Black Sea cruise on board Cunard's Vistafjord in May in a category A double outside cabin would have to pay £7,860 for the holiday but would get £500 spending money. Cruise bookings form 10 per cent of the holiday club's total bookings, compared with 2 per cent for the market as a whole.

Barclays said that club bookings were up about 20 per cent this year. Long haul holidays are proving most popular, with bookings up 24 per cent. Bookings to Europe are up 11 per cent.

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Illicit love gives way to illicit mortgage relief



Nigel Lawson's Budget change in the Miras rules provoked the housing price boom of 1988

Lenders get Revenue bill for wedded Miras bliss

BY LINDSAY COOK, WEEKEND MONEY EDITOR

IN the past, couples did not reveal that they were living together, unwed. Now they are keeping quiet when they get married, and it is costing mortgage lenders millions of pounds.

In the year to April 5, 1991, the Inland Revenue mortgage tax relief unit charged lenders £3.9 million for paying too much tax relief to couples who have married. This year the sum is likely to be larger, said the Inland Revenue. Some building societies have been issued with additional tax bills of around £1 million.

Married couples have always been restricted to one person's mortgage tax relief, but until August 1988 single people could each have tax relief on £30,000 of a loan on the same property. Nigel Lawson's March Budget that year announced that multiple tax relief was to end for mortgages taken out after August 1. A scramble followed, with thousands of people determined to buy properties with double tax relief, pushing up house price inflation over the summer months. Some were unmarried couples, others friends or near strangers joining together to take advantage of the tax system.

Large numbers have since married and should have told their lenders. Others have bought out mortgage shares,

without telling the lender because they do not want to lose the tax relief worth around £800 a year.

Mark Boleat, director general of the Council of Mortgage Lenders, said: "The sums can be quite large. A couple could have got married two or three years ago without realising they had to tell their lender."

It is when the tax officials from the Miras unit at Bootle visit lenders that the illicit tax relief can come to light. The Inland Revenue made 140 such audits last year.

Some lenders feel they are being "fined" unfairly when they have not been given the full information. They argue that if couples tell the Revenue they have married in

order to get the married couple's tax allowance, this information should be passed on to help lenders give the correct amount of tax relief.

It is usually the lenders that pay most of the extra tax relief. This is because of the way the additional tax bill is arrived at, explained the Abbey National, which is negotiating with the Revenue about how much it should pay.

The second largest mortgage lender said it could not charge individuals, as the Revenue took a sample of mortgages and, from its check on those, calculated how much extra tax relief had been granted in error on the Abbey's total mortgage book.

John Hutchinson, retail operations director at the Nationwide Building Society said: "There are quite significant sums of money involved. Unless the borrowers grossly misled us we would normally stand the bill ourselves. It is usually a genuine mistake."

He added that the society's mortgage terms and conditions, like those of other lenders, required borrowers to inform it of a change in circumstances.

The Leeds Permanent Building Society, which was last audited in January 1991, said it was more watchful for a change in borrowers' circumstances now. "There is a limit in how far we can go.

After all we are not a detective agency."

The society does not claim back any money from borrowers for overpaid tax relief.

"There haven't been any cases where it is clear that borrowers have deliberately kept us in the dark."

The Halifax, the largest building society, said its last audit was also early last year, and before the Revenue arrived it had checked all accounts opened since 1989 to check the information was correct. The mortgage payments have to be increased back to the date of the marriage. The Halifax would expect borrowers to pay but would negotiate if the bill was going to cause problems.

The Woolwich Building Society is currently being audited by the Revenue. It says it expects borrowers to inform the society of any relevant changes. "When young couples came in for loans before August 1988 we told them during the interview that they should come and tell us immediately they got married."

The society added: "We would only charge a borrower if we believed they kept back information deliberately. If there was obvious deception all mortgage tax relief at source would be removed from the loan and they would have to make gross mortgage payments."



Hutchinson: mistake

Do the miles or pay the tax, company car drivers warned

EMPLOYEES with company cars are taking to the roads in large numbers to avoid paying extra tax. If they do not complete at least 2,501 miles in the course of their business in the year to April 5 they could face an additional tax bill of £1,780. Their employers could also have to pay an extra £462.80 in national insurance contributions (Lindsay Cook writes).

Recent Budgets have pushed up the tax charged on the two million-plus company cars. And those drivers who clock up 2,500 miles or less pay 50 per cent more tax on the benefit than those who cover 2,501 to 18,000 miles in the course of a year.

Travel between home and the office cannot be counted towards the total, which creates something of a dilemma to many employees who prefer to travel by train to catch up with work when visiting clients, other offices or attending conferences.

Those who did not get their mileage in during the summer months now face early starts in uncertain weather if they are still a long way short of their target. Tom Minding, taxation manager at Bardays Financial Services, is advising clients and staff to get their miles in. "If they are not careful they might end up paying 50 per cent more for their car for being one mile short."

Drivers of modest cars with engine capacities of 1401cc to 2,000cc would pay £331.25 extra for falling short on mileage if they were basic rate taxpayers. Higher rate taxpayers would pay £530. The bill would be less if their company cars were more than four years old.

Two-litre cars would cost an extra £331.25 for a 25 per cent taxpayer, and £580 for a 40 per cent payer. Employers also have an interest in encouraging their employees to take to the roads. The driver of a 2,000cc car could cost his employer an extra £221 in national insurance liability if he or she does not exceed



2,500 miles during the year.

Company car drivers with more expensive models have most to lose. If their car is worth more than £19,251 when new the cost could be £1,400 plus an extra £286 for the employer to pay in national insurance contributions.

Those with deluxe cars worth more than £29,001 when new and still under four years old would pay £1,780 and land the employer with extra bill of £462.80.

Mr Minding said those with status cars often had most difficulty in getting to the required mileage. He personally is responsible for offices all over the country and has no difficulty in exceeding 2,500 miles.

All drivers of company cars need to keep a detailed record of their business mileage, he said. The running total can also act as a warning if they are not exceeding 200 miles a month. "The tax bill has increased over recent years for company cars, but they are

still worth having. A fairly modest car costs £4,000 a year to run and repair. The tax bill is less."

The taxable value of a 1,400cc to 2,000cc car is £2,650. This means that the tax bill for a basic rate taxpayer with one is £662.50. Those drivers who exceed 18,000 miles a year pay half the tax bill.

The Inland Revenue begins to send out assessments in late summer to drivers who pay tax as they earn who are under the mileage limit. The money owing then has to be paid as a lump sum within weeks if the driver does not appeal against it.

Mr Minding said that many bank managers have a few customers well outside their normal area to make sure that they can easily achieve the 2,500 miles. Many other company car drivers increase their mileage in the early spring to meet the target.

Clive Tulloch, partner at Coopers & Lybrand Deloitte,

the accountant, said people who got a company car during the course of a year had a proportionately lower mileage to complete but could still fall short because of poor motoring conditions in the winter months.

The firm reminds all its clients of the results of doing the mileage.

"Because it is tax, the importance is magnified in many people's minds and they become determined to get over 2,500 miles," Mr Tulloch, who is the author of the Coopers Deloitte annual company car tax guide, does not have one himself. "I would probably be better off but the partner's scheme is so complicated and I am quite happy with my modest little car," he said.

A further increase in the tax on company cars in this year's Budget could be less likely than in recent years because there may not be enough time to implement any complicated changes before the general election.

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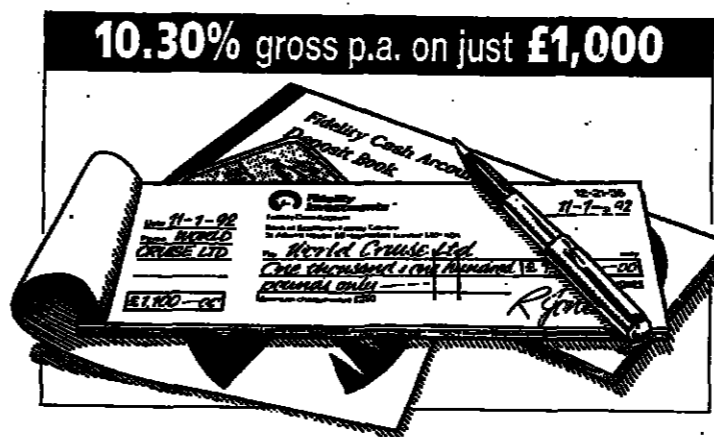
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Investors warned not to exceed limits on tax-free plans

New Peps raise slip-up fear

BY SARA MCCONNELL

INVESTORS signing up enthusiastically for the new single-company personal equity plans (Peps) should make sure they do not inadvertently break the rules and open more plans than they are allowed to under the regulations.

Three of the big four clearing banks, with the exception of the Midland, are offering single company Peps through their branches. Stockbrokers and fund managers are also offering the new plans, which

have been available since January 1. Investors can put up to £3,000 a year into a single company Pep, holding the stocks of one company. In addition to this, they can invest up to up to £6,000 in an ordinary Pep holding several stocks, unit trusts or investment trusts.

There is nothing to stop investors holding stock from just one company in a £6,000 ordinary Pep if they want to have £9,000 in the same stock. But investors can only hold one of each sort of Pep in each Pep year. The year runs from April to April.

The confusion could arise because two main sources of single-company Pep are developing. Clearing banks, stockbrokers and fund managers are offering a range of quoted stocks for investors to choose from, and there is flexibility for customers to switch out of one stock into another if they are not pleased with the performance of their first choice.

Most quoted companies are at the same time mailing shareholders with details of their own plans. These are managed by outside plan managers and there is generally little flexibility for switching from one stock to another.



Vine-Lott: deal hopes

Plan managers say that investors who are both shareholders and bank customers could be approached twice by different institutions. Derek Booker, Pep manager at Lloyds bank, said it was important that investors avoid opening a single-company Pep, offered through a company to its shareholders, and, in the same tax year, opening another single-company Pep with a bank, stockbroker or fund manager.

Justin Urquhart-Stewart, head of customer services at Barclays Stockbrokers, agreed that people could be confused, but said: "The In-

land Revenue is very hot on this. We have to register the Pep with them and if someone has already got a plan, the Revenue says the new application is invalid." Any infringement of the rules could mean that planholders lose their tax breaks on existing plans.

Lloyds and NatWest have both launched plans for which customers can invest up to £3,000 in a single stock. Lloyds has a range of 100 quoted stocks, while NatWest offers a choice of 60. Barclays, whose plan will be launched next week, allows customers to select any quoted stock.

Charles Stanley, the stockbroker, allows investment in all shares quoted on the Stock Exchange or the Unlisted Securities Market. Mercury Asset Management, the fund manager, has a more limited range of 12 quoted stocks to choose from.

These plan managers all charge an initial fee for each plan opened. NatWest's set-up fee is £30, while Barclays charges a joining fee of £5 and offers a free copy of "A Beginner's Guide to Investment". Lloyds has a fee of £20 per plan per year, but offers the option of investing the maximum £3,000 a year in one continuing plan, which

would only incur one £20 charge. Charles Stanley charges a £10 initial fee while Mercury Asset Management charges 3 per cent of the investment.

The flexibility of being allowed to switch stocks at any time can get costly for customers who change their minds too often. Pep rules prevent stock being transferred directly from one plan to another without being sold first, unless the stock is a new issue like BT partly paid shares, or unless a shareholder is transferring shares from an approved employee share scheme like save as you earn. This means paying dealing charges every time.

Selling one stock and buying another at Lloyds would cost 1.65 per cent of the investment on the sale with a minimum charge of £25 and the same to buy the new stock. Customers could cut their costs if they waited until the new bulk buy of stock by the bank, when the dealing charge could be cut to 0.2 per cent. On top of this there is a £10 administration charge.

Dealing by post with Barclays costs 1 per cent, with a minimum of £10, while telephone dealing costs 1.4 per cent, with a minimum £18.

Mercury Asset Management charges a £50 switch fee and a dealing charge of 0.5 per cent for each transaction. Several companies, including Mercury and NatWest, also make annual management charges. Barclays deducts 0.5 per cent of the portfolio, a minimum charge of £12.50.

Those who know which stock they would like to hold or who are already shareholders, will probably find it cheaper to contact the company direct. Bradford & Bingley and CC&P Trustees manage the plans of many blue chip companies. Barclays is hoping to sign deals with about 50 companies this year, Tony Vine-Lott, managing director of Barclays stockbrokers said.

B&B manages the Peps of 52 companies, including Glaxo, ICI and J Sainsbury, and so far has brochures for 37 of these. Initial charges for most company plans are £5 and there is an annual charge of £10. Withdrawals are charged at £10 and closing a plan incurs a charge of £5 plus a further charge of £10. Selling or buying shares costs 0.25 per cent, and switching between plans is not allowed.

Jenny Kynaston, managing director of CC&P, which manages more than 30 plans for companies like Fisher, the Argyll Group and Boots, said that it was possible to transfer from one plan to another. Dealing charges are 0.25 per cent for buying and the same for selling, plus 0.25 per cent.

Advice easy to find, difficult to choose

BY JILL INSLY

ONE OF the most difficult things to do when choosing an investment is to know where to go for advice. The variety of advisers in the financial services industry may seem bewildering.

Most people would prefer to deal with an independent rather than a "tied" adviser who is restricted to selling the products of only one company. In practice, many people deal with tied advisers.

Most building societies and banks are tied to one life insurance company. It is questionable whether investors who receive Standard Life contracts through dealing with its tied agent, Halifax Building Society, will be any worse off than those who buy products through an independent financial adviser. However, many tied advisers, building societies among them, are only allowed to sell products of less highly rated insurance companies, which have had much poorer performance than Standard Life.

Other sources of tied advice include life insurance sales forces and many estate agencies. Even where life insurance salesmen are trading under their own name, they may be tied to selling only one company's products.

If the investor decides to seek independent advice, he or she must still choose between different kinds of adviser. Accountants, solicitors, insurance brokers and Fimbra insurance brokers can all offer independent advice. It is worth bearing in mind the professional background of an adviser to appreciate the angle from which he is likely to approach. Accountants are often the best

people to give tax advice. Solicitors are most likely to be familiar with wills and inheritance tax planning.

Advisers authorised by Fimbra give advice on life assurance, pensions, unit trusts, personal equity plans, business expansion schemes and shares. Insurance brokers, registered with the Insurance Brokers Registration Council, can also advise on a

The most basic check is to make sure the adviser is authorised by the appropriate regulatory body — for example, most independent financial advisers are regulated by Fimbra, tied life insurance salesmen by Lauto, and accountants by the Institute of Chartered Accountants.

Like any other group of people, however, insurance advisers and accountants vary in quality. Membership of a regulatory body is a minimum requirement and does not guarantee good advice.

The best guide to the quality of an adviser is reputation. Investors should ask relatives, friends or colleagues.

Tony Murrell, of Fraser Marr, an independent financial adviser, says investors should be prepared to obtain references from their adviser's bank, from other clients and from the insurance and investment companies with which the adviser deals. They should check to see if the firm is authorised to handle clients' money.

The Consumers Association says the questions asked of the investor by the adviser are equally revealing. Jean Eggleston, of the association, says: "Some advisers will do a proper fact find, assessing your existing insurance and investment, your risk tolerance, whether you have a family and/or other commitments. Others will skim over that and plunge straight into selling you a product."

She warns investors to beware of investment jargon and to ask about anything they do not understand.

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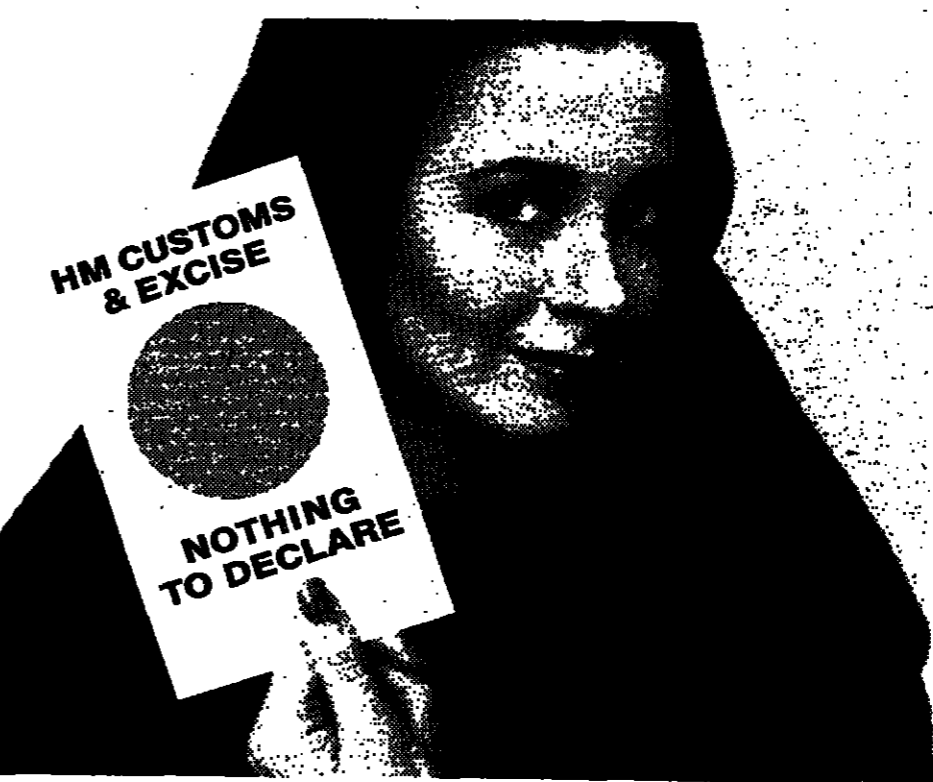
When the rate of interest payable is updated on 7th April, July and October 1992 the new rate will be advertised in the Financial Times and another national newspaper on that day. Interest will be added to your account on maturity on 31st December 1992. On maturity capital and interest accrued will be transferred to Skipton Sovereign Shares (prevailing rates and terms will apply). The fixing of the rate of interest is based upon current tax legislation and the Society reserves the right to require certification, gross. The net rate quoted is based on the current basic rate of income tax of 25%. Upon receipt of your cheque you will be sent, for completion, an application form and on its return a Passbook will be issued. Interest will be earned with effect from receipt of your cheque. *The best rate at time of going to press.

Portfolio

PLATINUM

For readers who may have missed a copy of *The Times* this week, we repeat below the week's Portfolio price changes (today's are on page 29).

Sec	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Weekly
1	+8	+6	+4	+4	+6			
2	+5	+4	+7	+5	+8			
3	+7	+8	+4	+8	+6			
4	+9	+5	+8	+3	+6			
5	+9	+5	+5	+8	+7			
6	+7	+3	+7	+4	+8			
7	+8	+3	+3	+7	+4			
8	+7	+6	+6	+6	+5			
9	+8	+4	+5	+8	+6			
10	+8	+4	+2	+6	+5			
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13	+8	+5	+5	+8	+5			
14	+8	+4	+8	+4	+7			
15	+7	+6	+5	+4	+5			
16	+8	+4	+4	+7	+6			
17	+8	+8	+5	+4	+5			
18	+8	+5	+5	+7	+7			
19	+7	+4	+8	+3	+9			
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22	+7	+2	+6	+4	+7			
23	+5	+4	+3	+5	+4			
24	+5	+2	+6	+4	+6			
25	+9	+6	+4	+4	+4			
26	+7	+5	+3	+8	+7			
27	+5	+3	+4	+5	+4			
28	+6	+3	+7	+4	+8			
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40	+8	+4	+2	+6	+5			
41	+8	+7	+6	+4	+5			
42	+9	+5	+4	+7	+5			
43	+7	+4	+3	+6	+5			
44	+5	+2	+8	+5	+9			



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ANNOUNCEMENT

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Portfolio
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No.	Company	Share	Price	Value
1	Champion Gas	100	1.10	110.00
2	Young's	100	1.10	110.00
3	Thames	100	1.10	110.00
4	Great Northern	100	1.10	110.00
5	Worcester	100	1.10	110.00
6	Wilton (Hamp)	100	1.10	110.00
7	First Leisure	100	1.10	110.00
8	TPP Europe	100	1.10	110.00
9	London	100	1.10	110.00
10	Dr. Land	100	1.10	110.00
11	Thompson Van	100	1.10	110.00
12	Black Scotland	100	1.10	110.00
13	Other (Hamp)	100	1.10	110.00
14	Padlock Road	100	1.10	110.00
15	Midland	100	1.10	110.00
16	Simon Eng	100	1.10	110.00
17	TSB	100	1.10	110.00
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Please take into account any other signs.

Weekly Dividend
Please make a note of your weekly dividend for the week ending 18/1/92 in today's newspaper.

MON TUE WED THU FRI SAT SUN

Two readers shared the Portfolio Platinum prize yesterday. Mr John Lloyd, of London SW19, and Mr Fred A Jones, of Edinburgh, both received £1000.

1991/92 High Low Company Price % Ch % PVE

BANKS, DISCOUNT, HP

No.	Company	Share	Price	Value
1	Bank of Scotland	100	1.10	110.00
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BREWERS

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BUILDING, ROADS

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BRITISH FUNDS

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1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

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Return to Murrayfield is eagerly awaited

And so to Murrayfield. Again. Eleven weeks to the day since the rugby World Cup final we return to the scene of our outstanding semi-final victory for the start of this season's five nations' championship.

In those 11 weeks I have played just one game of first-class rugby. A few other minor second-team matches, yes, but just one senior game for Waspas against Harlequins in the Courage Clubs Championship in November.

A cause for concern? Not in my mind. I feel fresh mentally and very fit physically. I am alert and eagerly anticipating the championship, some-

thing I was not sure I would do after the intensity of the World Cup. I had played almost non-stop rugby for the last five years.

It has been wonderful to step back from the first-class game for a while. I am fit because I have trained hard both in England and then France after my move to Toulouse for business. French club training includes more contact work than we are used to in English rugby, so that has sharpened me physically. And the French tend to recreate a lot of game situations in their training.

It is perfectly possible, too, that I will not play any first-

class rugby outside the five nations' championship before mid-March, when England's involvement ends. Squad weekends between the internationals mean I cannot commit myself to Stade Toulousain until England's campaign is over and, quite honestly, that sounds ideal to me. Internationals, these days, are so intense it seems like a luxury to play and then leave the following weekend solely for the squad sessions. I shall pity players like Will Carling, Simon Halliday, Brian Moore, Micky Skinner, Peter Winterbottom and Jason Leonard.



Rob Andrew, the England stand-off half, gives his thoughts on today's Calcutta Cup match at Murrayfield

As international players with Harlequins their programme for the next eight Saturdays is exhausting: Scotland (away), Waspas (away in the Pilkington Cup), Ireland (home), Orrell (home), Courage Clubs Championship (away), France (away), a Pilkington Cup quarter-final (assuming they have beaten

Waspas, which I'm sure they will not), Bristol (away), Courage Clubs Championship (home). We see the match against Scotland today as the key. If we can win this one I think we will go to Twickenham to play Ireland sensing a momentum once more gathering pace. But we have to

warn against complacency, especially at Murrayfield. Certainly, on paper, Scotland appear to be weaker than during the World Cup.

To lose Gary Armstrong, such a wonderfully competitive player, as well as Calder and Jeffrey, was a particular blow. But any Scottish team meeting England in Edinburgh will be extremely competitive and I know it will be another hard game. If we take a relaxed attitude onto the field we are quite likely to be punished.

I do not believe we will because there is a great target for us again, another grand slam. It is an extraor-

dinary statistic that no side in the championship has won successive grand slams since 1923-4. Not even the great Welsh teams of the Seventies could do it. We are certainly capable of doing it — no one would seriously question that. But then we had the side to achieve it in 1990 and failed. And on paper it will be harder this year because we have to play Scotland and France away.

This season we will attempt to integrate, rather than the power of our pack and creativity of our backs. That is the wish of the players and Dick Best, our new coach. We can win in Edin-

burgh, but I cannot see Wales overcoming Ireland in Dublin.

Meanwhile, we all had an extra potato with dinner last night (alcohol forbidden) to celebrate the approval of our "Run with the Ball" scheme. I am just pleased it has been resolved at last but it will not really make the slightest difference to any of us in terms of our attitude on the field. However, there are already nasty suggestions within the camp that the profits cannot be found. Did Maxwell get his hands on our money, too?

□ Interview by Peter Bills

Armstrong's absence a blow to Scottish hopes

England appear to have the edge in some vital areas

BY DAVID HANDS, RUGBY CORRESPONDENT

THE last time England visited Murrayfield in the five nations' rugby union championship every prize was on offer — grand slam, triple crown, Calcutta Cup, everything but the freedom of Edinburgh. The last time they played Scotland, however, not even the most tangible of those prizes, the old silver trophy from India, was at stake: only a place in the final of the World Cup.

Now it is 1992. England have their grand slam for a comforter, the World Cup has been dusted and put away for another four years and it is back to five nations' business at Murrayfield this afternoon. But business with a difference. The World Cup

has left an enhanced awareness of rugby union's possibilities and England with the confidence and the experience to play a more rounded game, if they so choose.

The series between these countries has now attained a status similar to that which, historically, was reserved for matches between England and Wales. That is one way of measuring the decline of the Welsh and the advance of the English; meanwhile Scotland, have stayed alongside England, aggressive, competitive, raw-boned if lacking the subtlety that an Irvine or a Renwick brought to their ranks.

But there has to be a sheen of concerned perspiration on

Scottish brows this morning, caused by the untested quality of their second row and back row and, vitally, the absence of Gary Armstrong at scrum half.

In recent matches there has been an intensity of feeling between the countries, as between players who have come to know each other too well. The cast has not changed significantly but it may have changed enough to reduce that simmering feeling. Scotland field four new caps, England two new to the championship and players will be working their way into international rugby — rather than into other international rugby players particularly in the key areas of the back row/scrum half link.

Indeed, the form of the respective scrum halves may determine how the 109th meeting between the countries is played and won. Dewi Morris has stamped at the bit since 1989. His bustling, challenging play should give his back row a focus, should help Tim Rodber into the match and might give Andy Nicol an awkward baptism.

Scotland will have to work every lineout variation in the book if they are to overcome England's giants, with Martin Bayfield posted at the front on the Scottish throw to blot out Kenny Milne's targets. Nor does there seem the ballast in the Scottish scrum to hinder England running through their back-row moves or leaving it to Rob Andrew to control the play.

The England management have studied David Milner — the most consistent player in Scottish club rugby this season, according to well-informed locals — and Nicol on video. In acknowledgement of the unpredictable quality they constitute (Neil Edwards and Ian Smith, playing out of English clubs, are known and respected).

"We want a structured game, they will try and create mayhem," Dick Best, England's coach, said. "The looser the better for them."

Even so, England have the experience and the weight to make the tackles tell, to force the scrums and, as a counterbalance to over-confidence, the recent knowledge from 1990 of how badly things can go wrong.

For all the emphasis England's manager and captain have placed on the difficulties of winning away from home, they should do so again today. At first glance the championship as a whole revolves around the game in Paris on February 15 between France and England, for all the expectation that this season the Irish will make their mark. Four out of four, once more, is not beyond England.



Whistle blower: "I'll be pleased to win by hook or by crook," Best says

Best wishes for slow change in approach

BY DAVID HANDS

DICK Best remembers the day that coaching England's rugby team became a spark of light at the end of a long tunnel: when an invitation bearing the Rugby Football Union's official imprimatur, the red rose, dropped through his in-service training course.

"It was really nice to see that card, because it meant I was really part of the system," he said. Best describes himself as the "perfect" product of the RFU structure: county, club, division, England under-21, England B, and now England.

He does so with his tongue in cheek: there were many individual influences for the man who played in every row of the Harlequins scrum, and who coached the club when he was captain because no one else was prepared to. His particular guru was Earl Kinton, the former New Zealand stand-off half, who came on a business trip ten years ago.

"Earl talked about how the

game should be played, about rolling mauls, about the problems of English back play. The principle was 15-man rugby, about forwards winning ball, about backs running straight and the forwards recycling it."

"It was a simple philosophy but, at club level, it's not difficult to achieve if you have the right players. I almost changed my ways once, last season, when Harlequins weren't playing well, and I started to succumb to the pressures." Then Kinton convinced Best not to change his ways.

Another form of tension has returned, however, since Best took over from Roger Urtley after the World Cup final last November. The chief-turned-travel agent is beginning to understand the weight of expectancy on the England team going into the five nations' championship.

"The team was so successful in 1991 and the game has become important to people. And if we are successful again

it will be even harder next season because it will be a new team."

"I don't think this is the season to try and impose my concept of how the game should be played. My appointment is for this season only and my brief is to win four games, and I'll be pleased to do that, by hook or by crook."

"Whoever gets the job after this championship, that will be the perfect opportunity to rebuild and maybe change the style."

The 37-year-old Londoner has an immense wealth of international experience from which to draw, compensating for his lack of the same as a player. The very fact that he is a new face is a virtue too.

"I asked Geoff Cooke and John Elliott what they, as the existing management, wanted from me. But they turned the question round and asked what I wanted to do. They were prepared for a fresh face, who might change some of the emphases."

Championship odds stacked against Welsh

BY GERALD DAVIES

IRELAND are quoted at 6-1 to win the five nations' championship, Wales at 33-1. The huge discrepancy owes less to recent championship performances than the way both countries, who confront each other at Lansdowne Road this afternoon, played in the World Cup.

Wales suffered badly, whereas the Irish, even though they finally lost against Australia, acquitted themselves heroically and not without a little derring-do against Scotland and, more famously and dramatically, against the eventual winners.

Nothing before this suggested a vast gulf between the countries, which are the least favoured to win any of this season's honours. Since 1986 both of them, in turn, have had the inglorious reputation of filling the bottom position in the table. Of their last 20 internationals, Ireland have won five, Wales four.

The sides' drawn match was the only comfort last season and forestalled the possibility of a whitewash, a fate which befell Wales the previous year. Irish defeats, though, have been marginal, while those for the Welsh have been substantial and more damaging to declining morale.

Australia, for instance, scored a record 38 points in Cardiff in October, 63 in Brisbane in the summer. There is no such blight on Ireland's record.

Today's home team shows three changes, two enforced, from the team which last took the field. Mick Fitzgibbon comes in on the flank in place of the injured Hamilton, and Richard Wallace replaces Jack Clark on the wing. Keith

Crossan is reinstated as wing for Geoghegan, who has withdrawn because of a family bereavement. None the less, the team retains its stable look.

The same cannot be said of Wales who, while they keep ten of those who played in the last World Cup game, have used 39 players in their last nine matches.

There are three new caps in Stephens, Copesey and Stewart Davies. Neil Jenkins, aged 20, who played throughout last season's championship games at stand-off half, plays at centre, and Hall, a centre by frequent practice, is on the wing. Along with Gibbs, aged 21, at centre, there is a raw and speculative combination in the three-quarters.

Alan Davies, who is in his first championship campaign as coach of Wales, rightly emphasises defence as the priority. Wales, with only one victory in the last nine matches, have conceded 260 points.

With the referees less inclined to marshal it as rigorously as before, the lineup, increasingly unruly, will be critical. Wales will have to win much more possession if they are to enjoy any pickings against the vastly experienced Llewellyn and the fast-improving Francis.

□ Australia, the World Cup winners, will be back in the British Isles later this year with a six-week tour of Ireland and Wales, including internationals in Cardiff and Dublin, concluding with a match against the Barbarians at Twickenham.

FIXTURES: Oct 17: v Leicester (at Dublin); Oct 21: v Munster (Dublin); Oct 26: v Leinster (Dublin); Oct 27: v Connacht (Galway); Oct 31: v Ireland (Dublin); Nov 4: v Munster (Bristol); Nov 7: v Wales (Cardiff); Nov 11: v France (Paris); Nov 14: v Scotland (Glasgow); Nov 17: v Wales Students (Bristol); Nov 21: v Wales (Cardiff); Nov 24: to be arranged; Nov 28: v Barbarians (Twickenham).

MURRAYFIELD TEAMS			
Scotland		England	
A G Hastings	15	Full back	J M Webb
(Walsworth)			(Bath)
A G Stanger	14	Right wing	S J Halliday
(Newick)			(Harlequins)
S Hastings	13	Right centre	W D C Carling
(Walsworth)			(Harlequins)
S R P Lineen	12	Left centre	J C Guscott
(Boroughmuir)			(Bath)
I Tulako	11	Left wing	R Underwood
(Salford)			(Leicester)
C M Chalmers	10	Stand-off	C R Andrew
(Melrose)			(Toulouse)
A D Nichol	9	Scrum half	C D Morris
(Dundee & FFP)			(Orrell)
D M B Sole	1	Prop	J Leonard
(Edinburgh Acad)			(Harlequins)
K S Milne	2	Hooker	B C Moore
(Harlequins)			(Harlequins)
A P Burnell	3	Prop	J A Probyn
(London Scottish)			(Worcester)
D J Mcivor	6	Flanker	M G Skinner
(Edinburgh Acad)			(Harlequins)
N G B Edwards	4	Lock	M C Bayfield
(Harlequins)			(Northampton)
G W Weir	5	Lock	W A Dooley
(Melrose)			(Preston G)
I R Smith	7	Flanker	P J Winterbottom
(Glasgow)			(Harlequins)
D B White	8	No. 8	T A K Rodber
(London Scottish)			(Northampton)
Referee: W D Bevan (Wales)			
REPLACEMENTS: 16 P W Dods (Glasgow), 17 A G Snel (Melrose), 18 G H O'Hall (Newick), 19 R J Wainwright (Edinburgh Academics), 20 P M Jones (Glasgow), 21 J Allan (Edinburgh Academics).			
REPLACEMENTS: 16 N J Hesketh (Orrell), 17 D Pears (Harlequins), 18 J H Hill (Bath), 19 M P Hynes (Orrell), 20 C O O'Neil (Northampton), 21 D Richards (Leicester)			

ENGLAND'S GREATEST TRY WAS SCORED, ODDLY ENOUGH, BY A RUSSIAN.



The All Blacks were certainly surprised. In 1936, Prince Alexander Obolensky was right wing for England against them. He scored one conventional try up the touchline. Then he did something unexpected. Wrong footing the entire All Black team, "Obolensky" ran diagonally through them to score a remarkable left winger's try. At The Royal Bank of Scotland we always applaud enterprise and originality. We are proud to be supporting the Internationals at Murrayfield again this year.



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CHAMPIONSHIP DETAILS

OF THE 108 games played, England have won 52 and Scotland 39 between 1913 and 1924, and 1951-7. England won seven successive matches, the record for the series. Murrayfield has staged 32 games, of which Scotland have won 18 and England 11.

England's highest winning margin at Murrayfield is 30-18 in 1980. Scotland's is the 33-6 win in 1985, from which they have two survivors — the Hastings brothers, Gavin (who scored 21 points) and Scott.

Ireland and Wales have played 94 matches since 1882 Ireland winning 32 times against 56 to Wales. Results over the last decade, contrary to the usual championship tendency, have gone against the grain of victory to the home side. Wales had the better of the game played on neutral territory, in New Zealand during the 1987 World Cup.

There have been 28 games at Lansdowne Road, of which Ireland have won 12 and Wales 13. Three of

the players involved in the 1990 match have since signed professional contracts: Brian Smith, of Ireland, and Alan Bateman and Mark Jones, of Wales.

FIXTURES: Today, Ireland v Wales (Dublin); Scotland v England (Edinburgh); February 1: England v Ireland (Twickenham); Wales v France (Cardiff); February 15: France v England (Paris); Ireland v Scotland (Dublin); March 7: England v Scotland (Dublin); March 19: France v Scotland (Paris); Wales v France (Edinburgh); March 21: France v Ireland (Paris); February 2: Scotland v Ireland (Glasgow); February 16: England v Scotland (Edinburgh); March 2: Ireland v England (Dublin); March 16: France v Wales (Paris); March 16: England v France (Paris); Scotland v Ireland (Edinburgh).

1991 championship table									
	P	W	D	L	F	A	Pts	Diff	
England	4	4	0	0	1	31	46	8	
France	4	4	0	0	1	31	46	8	
Scotland	4	0	0	4	0	5	12	-2	
Ireland	4	0	0	4	0	5	12	-2	
Wales	4	0	1	3	2	42	114	1	

Strength decides students international

Scottish Students 9
English Students 32

BY DAVID HANDS

SIZE has always been a Scottish problem, at least when they play England on the rugby field, and they encountered it yet again yesterday in their first meeting in a full student international at Myreside.

Wit and invention were apparent, as in the spectacular 100-metre try created by Shepherd and scored by Crawford Henderson, but the

strength and experience of the English forwards produced victory by two goals, two tries and four penalty points to a goal and a penalty.

Indeed, those penalties were a telling factor: some Scottish forwards played too much of the game on the wrong side of the ball and paid for it as Gregory kicked four penalties just when the English back needed steady Crawford's try had brought the Scottish Students back to 17-9, only for the match to drift out of reach.

The more frantic the play, the better the Scots enjoyed it

and, in Shepherd, they had a compelling personality. Had his side not been forced to attack from deep so frequently, his contribution from full back might have been even greater.

However, Dosssett, a late-comer at full back for the English, was by no means overshadowed. He brought off one superlative defensive catch and joined his line well as England, settling in the second quarter, ran in three tries to establish a 14-3 lead by the interval.

The English rounded the match off with a flourish

when Parton ran over 40 metres for the final try. □ English Universities beat Scottish Universities 15-7 in yesterday's match at Piffersmill in Edinburgh.

SCORERS: Scottish Students: T. C. Henderson, Conversion: Shepherd. English Students: T. C. Henderson, Conversion: Shepherd. English Students: T. C. Henderson, Conversion: Shepherd. English Students: T. C. Henderson, Conversion: Shepherd.

ENGLISH STUDENTS: C. Dosssett, A. Parton, M. Piffers, A. Caldwell (captain), D. Clark, T. Shepherd, G. Gregory, G. Bracken, C. Maltby, A. Shaw, M. Piffers (captain), E. Piffers. Referee: A. Cui (France).

RFU announces settlement which will end litigation about England's playing strip

England the all-whites again

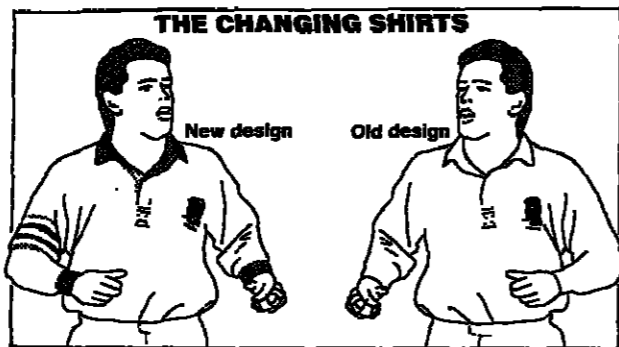
By DAVID HANDS
RUGBY CORRESPONDENT

ENGLAND'S rugby players will take the field against Scotland this afternoon wearing the all-white jerseys with which they have been traditionally associated, after the settlement of a dispute between the Rugby Football Union (RFU) and Cotton Traders, the leisurewear suppliers with whom they have a four-year contract.

Cotton Traders, the Manchester-based company headed by three former England captains, Fran Cotton, Steve Smith and Tony Neary, have been invited to return to the drawing board to create a "new, exclusive design" for use by England next season. For the remainder of this five nations' championship season, England will play in all-white.

In a statement agreed between the two parties, Dudley Wood, the RFU secretary, said yesterday that they were "pleased to announce that a new, exclusive design for the England rugby shirt and associated kit/leisurewear will be created for introduction next season. Cotton Traders Ltd are confirmed as the exclusive licensee to the RFU under a four-year design and supply contract.

"A new design will also be created by Cotton Traders for consideration for future World Cup events during the



term of the license. The achievement of a registrable design is expected to give rise to future royalty payments to the RFU which will be used for the promotion and development of youth rugby. In the meantime the England team will appear in their traditional white kit bearing the English rose in the five nations' championship this season.

Cotton Traders agreed a four-year contract, with a further four-year option, with the RFU in December 1990 and launched their World Cup design which incorporated blue and red stripes at the neck and arm. The intention was, and remains, to produce a shirt whose design could not be pirated, thereby deflecting funds from the game.

However the design did not meet with universal approval and though England wore it throughout their six World Cup matches, the RFU committee decided to revert to all-

white after the tournament. This produced the unhappy and potentially very damaging conflict during which the suppliers sought an injunction to enforce the terms of the contract.

Both parties were represented at a brief legal hearing this week but considerable work behind the scenes has given rise to yesterday's settlement which should preclude further legal involvement.

Both the union and Cotton Traders have been at pains to ensure that the national squad has not been unduly affected by the dispute and Geoff Cooke, the team manager, confirmed that the issue had not affected the players' preparations for the defence of the championship which opens in Edinburgh, where Scotland play England, and Dublin, where Ireland meet Wales.

Despite the prognostications of the bookmakers, Will Carling, the captain, said England did not see themselves as favourites to beat the Scots.

"We had a very close game in the World Cup and just managed to win. Scotland have an amazing record at Murrayfield and if I was in their place, I would be quietly confident.

"One of our objectives is to improve our World Cup performance and develop as a side. We have to find a balance between a tight and a loose game, we can't be satisfied with what we have achieved."

Cooke expressed sympathy for the two Scottish players, Gary Armstrong and Graham Marshall, who have suffered serious injuries which have forced them out of the championship. "It's very sad for them and the whole English squad wants to pass on best wishes for a speedy recovery," he said.

Rob Andrew, page 36
Best's view, page 36
Murrayfield teams, page 36
Ireland's promise, page 36



Safe pair of hands: Bayfield, of Northampton, will have a vital lineout role on his debut for England in today's Calcutta Cup match at Murrayfield

Teague counts cost

THE hidden cost of World Cup success with England has dogged the life of Mike Teague ever since the tournament ended (Peter Bills writes).

The news that the Gloucester player is seeking compensation from the Rugby Football Union (RFU) for the physical damage he suffered representing his country in the tournament reveals only part of the trauma he has experienced.

Teague, physically shattered and consequently financially troubled, has suffered considerable depression since England's World Cup squad broke up. He has been seen only occasionally at Kingsholm, Gloucester rugby club's home, and has done little work in his family business because of his injuries.

A close colleague said: "Mike has been very down ever since the World Cup

finished. Normally he's one of the lads, but all this seems to have got to him quite badly."

It remains uncertain whether the RFU, although sympathetic, would be willing to create a precedent by providing much financial assistance to the player. The RFU secretary, Dudley Wood, said yesterday: "We are examining the position to see what insurance cover exists, but to insure players against loss of earnings is expensive because of the high risk."

Teague, who is unlikely to play again, was always insured by Gloucester when he represented the club, but it is unclear whether that cover operated when he was on England duty.

FIVE NATIONS' CHAMPIONSHIP BETTING (Coral). Today's matches: Murrayfield: Scotland 7-4; England 9-4 on draw 16-1; Lansdowne Road: Ireland 4-1 on; Wales 3-1; draw 15-1. Overall championship odds: England 6-4; France 5-2; Scotland 7-2; Ireland 9-2; Wales 50-1

Taylor pleased with European draw

GRAHAM Taylor, the England manager, was delighted by yesterday's draw in Gothenburg for the European football championship finals in Sweden from June 10 to 26, which placed his team in the same group as France, the favourites, Sweden and Yugoslavia.

"I could not have asked for better, because we have

avoided the Netherlands, Germany, and also Scotland, who I would not have fancied," Taylor said. "Our group is more or less level, though I would regard Sweden as likely to be the most difficult opponents because they are playing at home."

"I think we will get better as we get nearer the finals, during our series of warm-up

matches," Taylor added. England's first match is against Yugoslavia in Malmö on June 11. Three days later they meet France at the same venue. The two leading teams from each group, conducted on a round-robin basis, go through to a semi-final stage.

Scotland begin their campaign against the Netherlands, the defending

champions, in Gothenburg on June 12, and Germany at Norrköping on June 15. Andy Roxburgh, the Scotland coach, said: "It is probably the biggest challenge Scotland have faced over the last couple of decades. We relish the prospect — people say we could cause a surprise and we have plenty of opportunity to do that now."

Speed can replace absent Chapman

By CLIVE WHITE

THE theory, expounded by Johnny Giles before Leeds United's FA Cup tie against Manchester United last Wednesday, that Howard Wilkinson's team might fair better without the prolific Lee Chapman will be put to the test today — even if it is three days late and against the wrong opposition.

In the event, Chapman played against the Old Trafford club and nearly ended up the match-winner, but the broken wrist he suffered in that game has given Wilkinson the opportunity to try a new pairing in attack and a new approach against Crystal Palace at Eland Road.

Gary Speed, the young Welsh international midfielder, is likely to partner Rodney Wallace in attack as Leeds endeavour to stay ahead of United in one competition at least. Speed is a prodigious jumper and a fine header of the ball, but Leeds would be ill-advised to use him as a target man as they do Chapman.

With Strachan set to return to midfield, they are more likely to attempt a more methodical build-up, utilising

the skill and pace of Speed, or any threat came to that, from a Leeds team capable of scoring from various quarters. Palace will probably deploy McGoldrick as sweeper in the absence of Young, who begins a four-match suspension.

Palace are the only team to have beaten Leeds in the League this season, though it was in injury time when Bright claimed the only goal of the game.

It is imperative for Leeds, who have a one-point lead over Alex Ferguson's team but have played two games more, that they banish all thoughts of last Wednesday's disappointment. The Manchester club will be banking on securing a victory at Meadow Lane against a Notts County team seriously affected by injury.

England can win cash bonus

FROM ALAN LEE
CRICKET CORRESPONDENT
CHRISTCHURCH

THERE is incentive enough for England's cricketers to win the first Test of their short series in New Zealand, which started here today, but additional motivation came from last night's announcement of a lucrative bonus scheme.

Teddy Bitter, which sponsors the England team rather than the games in which they play, is to give £10,000 for each Test match victory on this tour, the figure to be divided equally between the players' pool and six charities selected by the team.

As New Zealand have not lost a home series for 12 years, and England have not won a Test here in three tours, it may be that Tedley is taking no extravagant risks.

Tedley is, however, extending the scheme to the World Cup, which starts next month. If England win the cup, the chosen charities will share £50,000 and the players will receive a bonus equal to their tournament prize-money, which will also apply if they are runners-up.

Finishing runners-up in this opening Test would probably sabotage all hope of England winning a three-game

series here for the first time since 1963, when Ted Dexter, now chairman of the England committee, was the captain.

To help guard against the possibility, the tour selectors last night declined to name their final XI and included Mark Ramprakash in a squad of 12 for a match certain to start on a pitch of thick but uneven grass cover.

The team manager, Micki Stewart, explained that this change of plan was designed to cover all eventualities but intimated that the final decision would be to give a first appearance to Dermot Reeve.

The Warwickshire all-rounder, aged 28, might have



Reeve: first Test chance

SIMON BARNES ON SATURDAY

Panel quizzed

THE trial of the alleged serial burglar and part-time boxer, Mike Tyson, moves from the bizarre to the surreal. A total of 100 prospective jurors for the trial of Tyson, on one charge of rape and three of other sexual offences, have been asked 78 questions, all of which they must answer as part of the selection procedure.

The questions, submitted by both sides, include these: Have you ever been a member of the National Organisation for Women or another group interested in women's issues? Have you ever had any involvement in boxing? Do you consider yourself to be a thinking person, or a feeling person? What have you read or heard about the trial of William Kennedy Smith and the Tyson charges? What three people, living or dead, do you admire most?

The questioning of prospective jurors is a normal part of legal proceedings in the United States, but these are far more extensive than usual. The trial begins on Monday week. In the meantime I shall try and work out if this column is a thinking column or a feeling column.

No contest

LAST week I declared women would never beat men in the marathon. When, then, do women beat men? They would invariably win the Sharp Quadrathlon, a national event devised by Dr Craig Sharp, the sports scientist. You start with a swim from Dover to Morocco; women have greater endurance and power to resist cold.

You then run across the Sahara; ability to handle heat and to resist dehydration takes women further ahead. Then a 2,500-mile run across the Himalayas; women handle altitude better, too. Final event: a 1,500 metres sprint along a balance beam; if you fall off, you start again. Women have better balance. If this were the first event, the men would probably never get onto the second.

Test pilot

THIS column, the ski jumper's friend, is fascinated by the aerodynamics of the ugly but effective V-style, the sport's new fad. Denis Barber writes: "It would seem that they could enjoy even greater lift if a flexible membrane was used between the arms and the upper body, as part of a redesigned ski suit. Perhaps your hero, Eddie the Eagle, would be willing to flight-test the idea."



Memory can play a few tricks

AN ASTONISHING letter reaches me. Peter Maxted wishes to "correct" an autobiographical aside in a recent column. "In the famous match between Gwai Loong and Mark Wong's boys in Hong Kong, it is not true that I was so incensed by the penalty decision that I stormed off to the bar."

The bar adjacent to the touchline was entirely coincidental. Of Simon's extraordinary save I do indeed have to make his word for it. Apparently it was far superior to that of Gordon Banks from Pelé. Still, he did save the penalty, and with it the match. The cheers from our supporter could be heard for many yards. In the post-match discussion, an abiding memory is of Simon's face when one of Mark's team upbraided his captain for 'missing a penalty'. Fact: Mr Maxted is confusing this with another time I saved a penalty. I just mesmerise 'em.

Cry for help

THE arguments and courtroom dramas over the United States bobsleigh team have enthralled the world and given much angst to competitors. But there is an all-American way of handling this. "A lot of guys' dreams and aspirations have been shattered," Chuck Leonowicz, the top driver, says. "Something like this is tough to overcome. I called my sports psychologist and my hypnotist — I've got to get prepared."

Up for grabs

AS THE five nations' rugby union championship begins, David Pears, of England, is voted one of Britain's 50 most eligible bachelors by *Company*. "Who would he like to settle down with?" "Someone with a great smile, an outward 'guy' who's not clingy." Other eligible sportsmen include: Max Juster, the Cambridge rowing president ("athletic good looks, enjoys poetry") and Lee Sharpe ("about 20 times better-looking than Gazza"). Mind you, so is everyone else.

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